




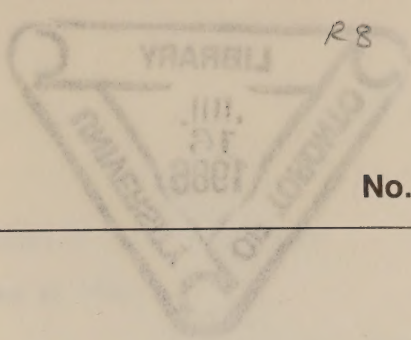
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Legislative Assembly of Ontario

First Session, 33rd Parliament
Friday, October 25, 1985

Speaker: Honourable H. A. Edighoffer
Clerk of the House: R. G. Lewis, QC





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LEGISLATIVE ASSEMBLY OF ONTARIO

Friday, October 25, 1985

The House met at 10 a.m.

Prayers.

STATEMENTS BY THE MINISTRY

HIGHWAY CONSTRUCTION

Hon. Mr. Peterson: I would like to direct the attention of the House to another example of this government's commitment to Ontario's cities. As members may recall, we promised while in opposition to help alleviate the problems created by the reconstruction of the Ottawa Queensway, or provincial Highway 417 as it is also known.

Various sections of this major cross-town artery have been tied up for the past two years because of the resurfacing and widening of the highway. The result has been heavy traffic congestion and frustration for Ottawa motorists. Most upsetting is the prospect that this work will be prolonged far beyond the original estimate.

I am very pleased to be able to inform the members today that we are taking tangible steps towards getting this project back on schedule. An additional \$9 million in provincial funds will be allocated to the reconstruction to ensure the target completion date of the fall of 1988 is met, a goal that would be otherwise impossible to achieve. This extra funding will eliminate delays resulting from supplementary work being added to the main series of four rehabilitation projects on the stretch of the Queensway running from Maitland Avenue to Alta Vista Drive.

We clearly recognize that the work on the Queensway is both complex and time consuming. However, we have made a commitment to the people of Ottawa to see that this project is completed in a reasonable time and we are determined to meet that commitment, as we are with all our other commitments.

My colleague the Minister of Transportation and Communications (Mr. Fulton) is in Ottawa today to meet with local officials and make public our decision to contribute additional funds to the Queensway. Ministry officials have put considerable time and effort into making sure this project is restored to its proper priority, and they should be congratulated.

I believe this is a significant step in our efforts to meet the transportation needs of the Ottawa

area and that it clearly demonstrates Ontario's recognition of the important role played by Ottawa, not just as the nation's capital but as one of this province's leading cities.

ANNUAL REPORT, ONTARIO PROVINCIAL COURTS COMMITTEE

Hon. Ms. Caplan: I am pleased to table the 1984-85 annual report of the Ontario Provincial Courts Committee. As the members of this House are aware, this committee was established several years ago "to inquire into and make recommendations to the Lieutenant Governor in Council respecting any matter relating to the remuneration, allowances and benefits for provincial judges."

Mr. F. S. Miller: Mr. Speaker, on a point of order: I came in a bit late. I assumed our side had a copy of the Premier's statement. We do not have one.

Interjections.

Hon. Ms. Caplan: Shall I continue, Mr. Speaker?

Under the very able chairmanship of Mr. Alan Marchment, this committee continues to deal with issues of vital concern to the administration of justice in this province. On behalf of my colleagues, I would like to extend our thanks to the committee members for their very helpful work.

I would also like to remind members of the House that the existence of this committee and the government's consideration of its various recommendations clearly recognize the principle of independence of the judiciary. We are committed to reviewing all items pertaining to judges' salaries and benefits in a manner separate from those of the Ontario public service.

In addition to the annual report of the Ontario Provincial Courts Committee, I have been asked to table before the House two sets of recommendations submitted by the committee. The first set of recommendations is dated September 9, 1985, and proposes several small adjustments to the transitional arrangements of the pension plan that were implemented in July 1984. These recommendations will be considered by cabinet in the near future.

The other set of recommendations, dated October 15, 1985, deals with the question of salaries for provincial court judges. This is the main focus of my statement today. The subject of salary increases for our provincial court judges has special significance for a number of reasons.

First, it is clear we must ensure that our judges are provided with reasonable remuneration, remuneration that recognizes the important role they play in our justice system. Our provincial courts are, after all, the primary point of contact with the justice system for most Ontario citizens. That is why the committee's recommendations on salaries were brought forward as a separate item for immediate consideration by cabinet.

Second, the decisions with respect to judges' salaries reflect the view of our government that it is not appropriate to link provincial judicial remuneration with federal judicial remuneration. In our view, this automatic linkage would relinquish our responsibilities to the taxpayers of this province by effectively transferring to the federal authorities the power to make decisions in this important area of provincial concern.

As the elected representatives, we are accountable to the people of Ontario and hence must retain the responsibility and authority for the allocation of our financial resources. In this regard, the government has decided not to accept the 1981 recommendation of the Ontario Provincial Courts Committee to establish parity between the salaries of provincial court judges and those of federally appointed district court judges.

The government has also considered the committee's recent recommendation for an immediate salary increase for provincial judges. As the committee points out, the last increase was effective April 1, 1984, more than one and a half years ago. While the committee's recent recommendation was for an increase to \$80,000, the well-recognized need for restraint in the expenditure of the province's financial resources and, in particular, this government's commitment to fiscal responsibility, have led us to the decision not to accept this recommendation fully.

Instead, the government has decided to increase provincial judges' salaries to \$75,000 annually retroactive to April 1, 1985, representing an increase of approximately 4.4 per cent. We believe this to be a fair and reasonable solution, given the current economic climate, and at this time will make Ontario's provincial courts judges among the highest paid of provincial judges in Canada.

In addition, I would like to stress that the complete compensation package of our judges

will be reviewed on a continuous basis. This review will be done carefully and in the context of the total resources available to government. We look forward to receiving further recommendations of the Ontario Provincial Courts Committee on this important matter.

10:10 a.m.

In closing, I would like to say that the men and women who serve Ontario as provincial court judges have performed a difficult and important duty with integrity, dedication and ability. Our judges are among the finest anywhere, and we believe it is imperative that the quality of our judiciary be maintained now and in the future. The action the government has taken with respect to provincial judges' salaries demonstrates the government's commitment to dealing with this issue in an equitable and responsible manner.

NATURAL GAS PRICING

Hon. Mr. Kerrio: The government of Ontario is concerned about reports it has received on a proposed agreement on natural gas prices between the federal government and the governments of Alberta, Saskatchewan and British Columbia.

Under the proposed agreement, Canadian natural gas prices could be reduced to all categories of consumers in United States markets, small and large, by as much as \$1 per 1,000 cubic feet. However, lower prices would be available only for a few large industrial customers in Canada, those who have the resources to negotiate their own gas purchase arrangements. As a result of this proposed agreement, Canadian gas will be sold to US markets for significantly less than Canadian gas will be sold to markets in eastern Canada.

This proposed agreement is an ominous sign that the federal government will not bargain vigorously on behalf of all Canadians in negotiations regarding trade in vital commodities such as natural gas. If the reports from the press are correct, Miss Carney has given away a great deal and received very little in return.

Ontario's position was outlined to Miss Carney on October 17, 1985. We sought three basic changes: (1) a significant reduction in the Toronto wholesale price to reflect the surplus supply and falling prices in the United States, Alberta and British Columbia; (2) release of a substantial volume of gas from the current chain of distributor-TransCanada PipeLines-producer contracts, so that both price and volume can be renegotiated; (3) direct buyer-seller arrangements between industrial users and gas distribu-

tors on the one hand and natural gas producers on the other, with pipeline transportation available on a nondiscriminatory, cost basis.

It appears that the federal government has obtained agreement only on the third item, direct purchases. It is not clear that even these direct purchases will be permitted on attractive and competitive terms and with truly cost-based transportation arrangements.

We have repeatedly stated that under today's supply and demand conditions market-oriented prices mean lower prices. If the federal minister genuinely wants to get out of administered pricing, why is she delaying rather than letting the market work?

US spot prices for natural gas being delivered into interstate pipelines are currently as low as C\$2.40 per 1,000 cubic feet; however, the Alberta price for Canadian natural gas is \$3. US prices continue to fall, and informed observers are anticipating spot prices to fall below \$2 per 1,000 cubic feet.

The natural gas price to industry within Alberta is also falling. We understand Alberta fertilizer manufacturers are currently buying gas for as low as \$1.50 per 1,000 cubic feet. That is about one half of the Alberta border price. With transportation added, that is equivalent to a price of \$2.75 delivered to Ontario fertilizer companies, rather than the \$4.20 they are being forced to pay today. Under these circumstances, a reduction in the wholesale natural gas price must be part of any agreement that is to provide fair treatment for Ontario industries and consumers.

The federal minister has not been a forceful advocate for natural gas consumers. Moreover, despite prior assurances, she has not ensured that consuming provinces are direct participants in these important negotiations.

Shortly after I became minister, the federal minister wrote to me and invited Ontario's "active participation" in natural gas pricing discussions. She noted that "...70 per cent of natural gas sold in interprovincial trade is consumed in Ontario. Hence it is essential that your government's views are reflected." In that letter she also indicated that a working group of assistant deputy ministers of energy had been formed "to examine options and to make recommendations."

Despite this encouraging initial invitation, Ontario has not been permitted to be at the table to examine options, make recommendations or to reach agreements at either the officials' or ministers' levels. We have been ready and eager to participate constructively, but we have been

excluded from these very important discussions which directly affect 1.5 million natural gas customers in Ontario.

Although the federal minister has declined to review her position with us, at her request I provided a summary of Ontario's position to her. I am releasing this summary today.

If the press reports are accurate, the proposed natural gas pricing agreement is a bad deal for natural gas consumers across Canada and it will have a serious, long-term, negative effect on the Ontario economy. Canada would be the only country that is reducing the price of its energy in export markets at the same time as it is freezing the price for its own citizens.

Mr. Speaker: Are there any other ministerial statements?

Mr. Guindon: Who made the arrangement?

Hon. Mr. Kerrio: Your kissing cousins.

Interjections.

Hon. Mr. Kerrio: Which side are you on?

Mr. F. S. Miller: You are on that side.

Hon. Mr. Kerrio: I tell you it is a nice comfortable feeling.

Mr. Speaker: Order. I called for further ministerial statements and there were not any.

Mr. F. S. Miller: Mr. Speaker, "there were not any" is more accurate than you know.

ORAL QUESTIONS

BUDGET IMPACT

Mr. F. S. Miller: My first question is to the Premier. I just thought of a name for this budget. It is a fine-print budget. It is like an insurance policy that never covers one for what happens because the fine print left it out.

Hon. Mr. Peterson: That sounded more like a used-car policy.

Mr. F. S. Miller: I thank the Premier for rising to the bait. He always gives honourable answers. I was never ashamed to work with my hands.

There were a couple of bitter lessons in this budget. I learned two things from this budget and they are both bitter. The government has jammed the brakes on the recovery that was so well under way in Ontario and it has ripped \$800 to \$900 out of the average family per year in this province.

Will the Premier agree with me that his government has learned from the MacEachen-Trudeau mould that one wastes now and pays later?

Hon. Mr. Peterson: I have a real problem understanding the question. Let me remind my

honourable friend that the biggest tax increase this province has ever seen was in 1981 when we were in the midst of a recession, during the time the member was the Treasurer. How can he argue that today?

I have a real problem understanding where the opposition is coming from. Why does it not caucus this out, decide on its view, tell us and then we will have a discussion about it? I cannot respond to 16 different points of view to spend more here and cut there. I do not know what the member is talking about.

10:20 a.m.

Mr. F. S. Miller: I am so happy the Premier chose 1981. That was the year Mr. MacEachen's budget destroyed the economy of this country by going after every investment incentive we had. It turned out to be the worst budget Canada has ever seen, and the Liberals copied it yesterday.

I cannot say the Treasurer misled the house, but he certainly did not give accurate figures in the budget. Increases in spending are up by 9.5 per cent, not 7.8 per cent. The deficit is not \$1,695,000,000; it is \$2.8 billion. He showed us \$6.5 billion in his working tables.

The key thing is that budgets are supposed to stimulate jobs. There are 386,000 people over 25 years of age in this province who need jobs, and he ignored them. What is in this budget for them?

Hon. Mr. Peterson: I am sure the member has read the entire budget. He will notice that our housing program has provision for 30,000 jobs and that 230,000 jobs for young people will be created by consolidating programs.

The member refers to the net cash requirements of \$2.2 billion. He will note that is after our approach of taking a hard-nosed view of the assets. He will be very aware—because I know he agrees with our position on Suncor and the complete embarrassment it was to him personally as the Treasurer and to the former government—that we have now had to deal with those things.

That is in the past, of course. What he will see is that on a consistent accounting basis, the deficit has actually declined. However, we have taken a fresh approach. We have said we are going to present the books exactly as they are. The Treasurer has decided to look at the billions of dollars' worth of virtually worthless assets on the books and take a new approach.

Mr. Brandt: That is not true.

Hon. Mr. Peterson: Of course it is true. If the honourable member understood it, he would agree with me. I am sure the former Treasurer agrees with me.

Interjections.

Mr. Speaker: Order.

Hon. Mr. Peterson: My friend should look at the discussion his own party has had about Suncor. My goodness, he has virtually admitted that what we are saying is right. We have taken a realistic view of this situation, and we are paying for programs we have brought in. It is going to create jobs. This is the finest budget this province has seen in 42 years.

Mr. Speaker: Final supplementary?

Mr. F. S. Miller: Is there not a question from the New Democratic Party? I can understand there not being a question from the NDP today. I was on the radio with their critic, and all he could do was say what great people you are over there, even though you are robbing the north and doing all the things that hurt.

I will change my last question to reflect what the Premier just said. He talked a lot about—the words in the budget were “A Clean Slate”—valuing the assets realistically and being consistent. Will he explain to me how he truly believes the shares of Suncor are worth zero and yet, on the same page, the Treasurer values Ontario Housing at \$2.25 billion? There is no consistency in that budget except the spirit of revenge. He wanted to do just that.

Hon. Mr. Peterson: The Leader of the Opposition could be accused of ascribing motives to me. It is unparliamentary to say we want revenge. I do not want revenge. I am very fond of him. It is his colleagues who want revenge; not I. We are doing whatever we can to assist him, and he will always find 48 fine friends on this side of the House.

With respect to the specific question posed by the member, as I said before, we have looked realistically at the asset valuations in every area. There is some question about the value of the Suncor shares. Who knows what it is at this point? I did not want to remind him, but it is held by the Ontario Energy Corp., and under the existing schedule of payments, we still owe \$420 million for the half of the Suncor purchase that was financed at 14.357 per cent; so we would continue to have to pay \$420 million.

The member will agree with me that there is some question about the value of that asset. It is our view that we should attempt to maximize that recovery and get the most that is possible under the circumstances. We do not know what that is at the moment; we are having a valuation done, and we are looking for buyers. If the member has any specific ideas, I will be delighted to get his

help. I have pursued any ideas he has had, and they do not exist; I should make him aware of that.

We are not interested in fancy paper transfers to inflate or deflate the values. We want to cut the losses for the poor, beleaguered taxpayers of this province, who are saddled with the loss of hundreds of million dollars that he walked into. That is how we are viewing it. The majority of people who understand bookkeeping and accounting admire the honesty with which the Treasurer has approached his responsibilities. He has taken a direct, hard-nosed business approach, and that is why this budget has success and I think this proves it.

Interjections.

Mr. Speaker: Order.

Mr. F. S. Miller: The reason the buyers may not exist is that now they are embarrassed to pay the fair price, since the government has said it is worth so little. It is exactly that, and it is exactly what I have heard from them.

Hon. Mr. Peterson: If the Leader of the Opposition wants to tell everything he knows, I invite him to do so, and then I will tell what I know and we will compare stories. Let him go ahead and tell us in this House.

Mr. F. S. Miller: I gave it to the Premier in confidence yesterday, and he knows it.

Hon. Mr. Peterson: Do not threaten me in public with it.

Mr. F. S. Miller: You are the one threatening me.

Mr. Speaker: Order.

AD VALOREM TAX

Mr. F. S. Miller: I would like to ask another question of the Premier, since he is in such fine spirits this morning. I recall during the election campaign the effect of promises, the wooing of voters and the impact it had on the average person who trusted and believed the Premier. He went around saying, "I oppose gasoline tax increases; I would remove the variable tax on gasoline," and yet he did it at the very time petroleum prices are going down in the world and replaced it with a fixed tax 10 per cent higher than the current tax yields. How does he justify that?

Hon. Mr. Peterson: It is presented in the budget. We said we would get rid of the ad valorem tax, and we have. We did what we said we would do.

Mr. F. S. Miller: Let me read the Premier's own words back to him because he did not keep

the second part: "A Liberal government would vigorously oppose increased consumer taxes and higher gasoline prices without offsetting concessions to Ontario consumers." The Premier said he would have vigour. Let him show us that vigour. Let him show us the concessions. He should show us what he did.

Hon. Mr. Peterson: If the member will look across the whole budget, he will find offsetting concessions and reductions in sales tax. In that, he will find tax fairness and equity. What we have done is restored real progressivity to the taxation system in this province, unlike what the member's colleagues, his kissing cousins, are doing in Ottawa. We will have a truly progressive province where people will pay on the ability to pay, and we will finance our program. It is a great budget.

Mr. Rae: The Premier will recall the specific commitment to freeze the ad valorem tax. We agree with the Treasurer on the need for a tax on gasoline that is fair and transparent, one that people can readily see, but why did the government not simply translate the existing ad valorem tax into that tax today rather than increasing it at a time when many consumers are having difficulties affording it?

Hon. Mr. Peterson: The ad valorem tax on gasoline has been frozen since 1984. It has now been abolished. The Treasurer picked what he felt was a fair and reasonable level, and it will be fixed at that level, pending increases or discussions in this House, subject to legislation. There will be no sneaky, behind-the-scenes moves on taxation. We will come to this House and discuss them. Obviously, we must have the support of this House to do that. We do not believe in taxation by regulation. We believe in taxation by this Legislature, to which all fair-minded members will agree.

Mr. F. S. Miller: On those benches sits the first government in the history of this province that did not stand or fall on the acceptability of its budget bills, and that has to be remembered. The government could not pass them because it did not have the power to pass them. That is why it did not.

This government is taking money out of the pockets of everybody who drives. It is doing it through the driver's licence, up 60 per cent. It is doing it through the registration fees, up about 15 per cent. It is doing it through the gasoline tax, up 10 per cent. Is the Premier not worried about the average Ontario citizen, who has to drive 30 miles a day to work?

10:30 a.m.

Hon. Mr. Peterson: The philosophy of taxation was a progressive one. We think we have changed some of the onus and the burdens. We do not think they are onerous or burdensome on anyone, but are a fair, reasonable way to pay for the programs we have brought here.

Let me take my friend back to 1978, when the then Treasurer, one Darcy McKeough—I am not sure what he is doing now—changed his budgetary policy with respect to Ontario health insurance plan premiums under some pressure from the opposition. We all remember it. I do not remember the government falling on that.

We are going to invite fair-minded members of this House to participate in finding ways to address creatively the revenue requirements of this province. If the members opposite have ideas on how to do it, then I will be delighted to hear from them. However, they know the history as well as I do, and this is a very sensitive approach to the problems of making sure that we do what we do in the context of fiscal responsibility.

CAPITAL INVESTMENTS

Mr. Rae: I have a question for the Treasurer, who will know that a budget is not simply a matter of housekeeping or of housecleaning and who will know the incredible impact the recession has had on the people of this province. That is the crucial overall context for the Treasurer's budget, since he himself has said that 1986 will be a year of slower growth and that the job-creation potential of the Ontario economy will drop.

In that context, can the Treasurer explain why table 4 in his budget shows a decline of \$40 million in capital investments in health care and social services, a decline of \$13 million in general public works, a decline of \$8 million in the environment and a decline of \$2 million in education?

Looking to the future, looking to 1986, and looking at the incredible consequences of the recession, why does he take such pride in trying to reduce the overall capital investment proposals and projects of the government precisely at a time when it is that kind of leadership and that kind of investment in our future that is clearly needed—by the private sector, yes, but by the public sector as well? Why has he cut that off at a time when it is going to be most needed?

Hon. Mr. Nixon: I want to deal first with the comment made by the honourable member about the declining rate of expansion. It is projected

that the growth next year will be 2.4 per cent after two years of growth at a higher level.

We must remember the province was climbing out of the worst recession we had experienced in 40 years. As a matter of fact, the rate of growth was negative during at least part of that time; so the percentages are somewhat misleading in that we are coming from a very low or negative rate of growth to a normal status for this province, where there is real growth.

I am informed by the economists in the ministry that, at most, the province's economy can sustain a three per cent rate of growth, and they are projecting 2.4 per cent. We should not think of that as some calamitous rate; we should think of it as something that is positive and gives the economy buoyancy.

I should say directly to the leader of the New Democratic Party that we have decided a rational rate of growth for the basic costs of various programs is four per cent. We are hesitant to do that, because when our predecessors established some sort of guideline like that, people said, "That is the minimum; so we can angle and bargain and squeeze for more money above that."

Four per cent, we think, is a realistic rate of growth for the various costs of the recipients of transfer funds. However, beyond that—and I bring this to the attention of the member—we have established special funds that transfer moneys well in excess of that four per cent for capital and for the improvement of the quality of the education system; so the actual capital expenditures, based on our program, will be ample and substantial as far as the balance in this budget is concerned.

We believe we are supporting the economy not so much on a broadly based band but with specific programs. We have a program that in its second year will cost the taxpayers \$200 million for the provision of job opportunities for young people under the age of 24; we are providing a special \$100-million fund for northern development that is going to be spent over five years, and we have initiatives in the farm economy as well that we think are going to stimulate the broad base of the economy in an effective way.

Mr. Rae: All I will say to the Treasurer is that I am reading from his own budget and from the figures he has shown us. What he shows is an increase in capital investment of only one per cent, which is substantially below the rate of inflation. Were it not for the accord items we negotiated with the Liberal Party, it is very clear that the real direction of the Liberal Party would

be all dressed up with no place to go, or possibly a few steps in reverse.

Specifically, I would like to ask the Treasurer, are the figures contained in table 4 correct? If they are not correct, what are they doing in his budget?

Hon. Mr. Nixon: There is no doubt the figures in the budget are correct; they come from the officials of the ministry. The officials were correct when they were advising the previous government, and they are correct when they give us figures. I can tell the member that the establishment in growth of our capital expenditure is suitable. It is balanced with the growth of the economy, and in that connection we feel they are adequate and the community is going to benefit from them.

Mr. F. S. Miller: When I listen to all this talk about fewer jobs next year, as predicted by the Treasurer, I fear he has missed a very fundamental point—

Hon. Mr. Nixon: Fewer jobs?

Mr. F. S. Miller: Fewer jobs than this year.

Hon. Mr. Nixon: On a point of order, Mr. Speaker: The growth rate for jobs will give us 108,000 more jobs in the coming year.

Mr. Speaker: Order. That is a point of view the member is giving.

Mr. F. S. Miller: At this point in our history, thanks to solid, sensitive Progressive Conservative budgets, there are more people at work in Ontario than ever before in its history. The Treasurer cannot refute that. Ontario led the rest of Canada out of the worldwide recession, and he cannot refute that. Sixty per cent of all the jobs in Canada were in this province.

Does the Treasurer not understand that jobs are created by people who make investments, that people who make investments are limited by the amount of cash they have to make them and that his budget tackles every one of those cash sources so neatly that there will be less investment and therefore fewer jobs?

Hon. Mr. Nixon: I do not apologize for the thrust of this budget in any way. I have already indicated that we believe we had to raise taxes to pay for the increasing cost of government and for the priorities this new government has put before the House. I will not repeat the list, other than to say it deals with jobs for young people, the farm economy, the development of the north and an adequate housing program, which we have never had in this province in the past.

On that basis, we are increasing taxes. That may be politically unpopular, but the money is

going to fund new and improved programs. We think that is a good justification. It is also balanced between personal income tax and corporation tax, and it is for the benefit of our economy and of our people, particularly our young people. On that basis, I submit it is eminently supportable.

Mr. Rae: The eminence of this budget is a matter of debate, but I want to get back to this basic—

Hon. Mr. Nixon: How about the supportability?

Mr. Rae: The Treasurer should not be so edgy. He has been nervous all week. I say to him, just take it easy.

Hon. Mr. Nixon: Me, nervous?

Mr. Rae: Yes, the Treasurer is nervous.

Let me get back to a fundamental point that I think the government is going to have to address. We all know that, as a result of what has happened over the past number of years, we have had enormous human cost. We have had a growth in poverty as a result of the expanded recession. We have had a number of older workers set aside by the economy, and no job creation program has been designed to help those people. There is an agenda of economic investment that is as necessary as the agenda for social reform.

10:40 a.m.

Will the Treasurer not admit that the proposal for capital investments in transportation, health care and social services, general public works, environment, education, recreation and culture, and industrial and technological development shows a decline in real terms?

How does the Treasurer square that with the continued need for an attack on unemployment, when he himself is predicting unemployment of well over 7.5 per cent next year?

Hon. Mr. Nixon: If I am nervous, the honourable leader is excited. He is reading in detail from a table on page 46. He did not indicate that capital expenditures will be \$2,278,000,000 for 1985-86, which is a huge investment of capital in this province. That will be \$282 million greater than Ontario's net public and nonpublic borrowing and \$19 million greater than last year's capital spending.

I wish it were more, but we have to make some decisions somewhere for moderation and balance. In this connection, the leader of the third party indicates only \$1.3 billion for transportation. That is a substantial amount of money but a good deal of that is being directed to assist our

municipalities, which have not had the support in providing for their roads and transportation facilities.

We are enriching that. We are not taking a shotgun approach. We are saying to the municipalities that we are supporting their endeavours in this regard. It reflects what I consider to be a new and valuable approach on this side, a spirit of partnership with our municipalities and our school boards that has been lacking. We are not going to do it for them. We are going to provide the funds to the extent we believe is possible, substantially improved from last year, and let them make the crucial decisions for the benefit of their own communities.

TAX EXPENDITURES

Mr. Foulds: As the Treasurer has indicated a number of times, one of his basic problems and one of the basic problems of any government in trying to deliver socially useful and economic programs is that they have to be paid for; the money has to be found. Can the Treasurer tell us how much lost revenue Ontario experienced in 1985-86 because of tax expenditures?

Hon. Mr. Nixon: In most instances we have reported the forgone revenue for any kinds of preferences that we have built into the statute. There is quite a list of them. The exemption for large trucking equipment, which does not pay sales tax, and other manufacturing goods is a very expensive exemption indeed. For the trucks alone, it is in the area of \$35 million to \$40 million. The sales tax that might have been collected on manufacturing equipment it is in the area of \$150 million to \$160 million.

I know the New Democratic Party has indicated interest and concern in this very appropriate procedure. If the member can give me a list of the exemptions that concern him, we will have our people calculate what those exemptions are costing the taxpayers.

Mr. Foulds: That is not exactly what we had in mind. In keeping with the Treasurer's stated aim in this paper of reforming the budget process and having more openness in the budget process and in government, why is he unable and apparently unwilling to be open and frank and publish a tax expenditure account? If I may say so, even Michael Wilson and John Crosbie were able to publish an account of their tax expenditures and make it open to the public and to Parliament.

Hon. Mr. Nixon: My middle names are openness and frankness. The budget paper that was presented expresses the view I hold, which is

that we must involve the members of this chamber in the preparation of the budget. It seems ridiculous that all the work should be done by the Treasurer and his colleagues, put before the Legislature and then the members of this House get involved only when the basic decisions have been made.

The thrust of the budget paper is for the establishment of a new committee of the House that would begin working in the fall with the Treasurer and his staff and with the people who want to advise the committee to come up with decisions that would be reflected in the budget. We still have a parliamentary system and those decisions are the responsibility of the Treasurer.

When it comes to reporting the costs of various budgetary preferences or tax preferences, there are many. I suppose we could report the cost of not having the nine per cent sales tax that was recommended by the Leader of the Opposition (Mr. F. S. Miller). If we had done what the Leader of the Opposition had predicted, we would have had another \$1.2 billion. However, I do not really know the point of that.

Members should tell us the preferences that concern them. I will try to think of the ones such as forgoing sales tax on big trucks, where the amount has been reported. We will make that information available to the members.

I can assure the House there is nothing secretive. We are not trying to keep any information that would be useful to the public away from the public or from the members of this chamber.

Mr. F. S. Miller: I heard the Treasurer say his middle name was frankness. Remember, my first name is Frank and I put it up front.

Hon. Mr. Nixon: What is your middle name?

Mr. F. S. Miller: Stuart, for economy.

There is one tax expenditure, of which I was very proud, that the Treasurer eliminated. I would like him to explain it. I had a tax expenditure by having no sales tax on the Maple Leaf coin. That created jobs in northern Ontario. The Treasurer took the expenditure off it.

Mr. Foulds: Where are they manufactured? It is not in northern Ontario.

Mr. F. S. Miller: The gold comes out of the north; that is where the money is, not in making the coin but in getting the gold out and in having a market. The Treasurer gave in to South African pressure to equalize the tax on the krugerrand and he knows it. He had two options and he did not choose the one that would have helped Ontario.

Now he will see the Maple Leaf coins bought through Quebec on a nontaxed basis.

Hon. Mr. Nixon: The leader makes a couple of very interesting points. The tax put back on the Maple Leaf coins is going to raise us something like \$500,000 this year.

In large measure, the gold for the Maple Leaf coins comes from Ontario. If we were to leave the tax off, we would have had to take the tax off krugerrands. Maybe that is what the Leader of the Opposition would recommend.

My own feeling is the Maple Leaf coin is well established now, not only in Canada but in the United States and around the world. It is a taxable item. It is not a matter of a coin with which one can go to McDonald's and buy a series of hamburgers. It is an investment. Bullion can be purchased—

Mr. Rae: For 99 cents? Where have you been?

Hon. Mr. Nixon: Well, a 99-cent special you can buy with your gold coin.

As far as we are concerned, the alternative is an important one. We have decided to tax the coins and we feel it is appropriate. It will not interfere with the sale of the gold from Ontario mines. It will not interfere with this in any way.

Mr. Foulds: I would like to get back to the original line of questioning. Does the Treasurer try to tell this House that he has a commitment to an open budget process and yet deny this Legislature the tools with which that open budget process can take place?

The American Congress publishes its tax expenditure. The Tory federal government publishes a tax expenditure account. We publish all our other expenditures in this Legislature and in this budgetary process.

Will the Treasurer make a commitment before the next budget to publish the tax expenditure so we can examine it logically, honestly and critically, and so we can recover some of the \$1.5 billion in lost revenue the ordinary taxpayers in this province will suffer because of this lost tax?

Hon. Mr. Nixon: The commitment I will make is that the budget paper on opening up the budget process should be, and I trust will be, debated either by the House or by a committee of this House. They can indicate what information is necessary.

I can assure the member and his colleagues that there is no intention on my part to withhold any useful or valid information that members on all sides might want to have and would request from me or my officials. It is wide open and we are quite prepared to give members our estimates

or the specific information we have. We will make it available to the member as an individual or to an appropriate committee of the House.

10:50 a.m.

SMALL BUSINESSES

Mr. Brandt: I have a question for the Treasurer. Contrary to what our friends to the far left here believe, the best social program that a government could devise is to give someone a job. Recognizing that 90 per cent of all new jobs are created by small business, why has the Treasurer completely and totally abandoned the small-business community in this budget with respect to any assistance whatsoever to assist with the creation of jobs in this province?

Hon. Mr. Nixon: The member must know that the premise of his question is incorrect. Not only have we not abandoned small businesses, but we have many positive and innovative changes in this budget for their benefit.

For one thing, we are paralleling the federal initiative for the simplification of the reporting for small businesses. This costs us \$50 million to do so. We are paying for that by tacking on half of one per cent in the basic corporation tax which does not even apply to small businesses.

They have their own special rate of 10 per cent. They get the advantage of the simplification, which costs us \$50 million, and big business has to pay the cost through this additional half per cent. Big business has the same advantage of simplification, so it is justifiable to put the tax on that end of the spectrum rather than on small business.

We have also beefed up the small business development corporation program, which is a program of the member for Muskoka (Mr. F. S. Miller). It was a good program and we see no reason it should not be made stronger in the north and the east and broadened right across Ontario. We have made the development of software programs financeable in this way and we have changed it in other ways which will make it more readily available and supportive to the business community.

The list can go on, Mr. Speaker, and I know you are anxious to hear what the supplementary could possibly be under those circumstances.

Mr. Brandt: The Treasurer neglected to mention some of the things in that list that I could add. He has increased the tax on inventory for small business. He has increased the land transfer tax. He has reduced the number of trade offices that Ontario has to assist with exports that could very directly apply to small business.

The net result of what he has done, and he has admitted this in his budget, is that he has reduced the level of job creation achieved by this province, which was second to none in the entire country. Some 60 per cent of all jobs created in Canada were created in Ontario through the budget brought in by the former Conservative government which the present Treasurer criticized so vociferously over the past few months. There were 152,000 jobs to be created in Ontario during the year 1985.

In 1986, the year the Treasurer's budget takes effect and has an impact on the economy of this province—the question, Mr. Speaker, which I know you are waiting to hear—

Mr. Speaker: I hope.

Mr. Brandt: —the Treasurer will now create 44,000 fewer real jobs in this economy. The Treasurer should be ashamed of himself. How does he answer to that?

Hon. Mr. Nixon: The member must be aware that his selective reading of the budget has omitted the fact that while the unemployment level in the province today is about 8.1 per cent, admittedly too high but not bad compared to other jurisdictions, it is expected to fall to 7.7 per cent during the year he is so worried about. We are going to create 108,000 new jobs on the statistics alone, plus we expect to create an additional 30,000 jobs in the construction industry alone with our initiatives for housing.

There were many things he mentioned in his rather lengthy question. He spoke about us reducing the number of trade offices. The only one that is going to close is the office in Brussels, which is headed by a very well known defeated Progressive Conservative candidate, a very estimable gentleman. We are going to close that office, but we are going to reallocate the funds from any reductions in these offices in a different way.

The Premier, in a recent statement, has indicated that it is so. We are hoping that we are not only going to maintain our trading facilities but also improve them. That is a worthwhile project.

SOCIAL ASSISTANCE

Mr. R. F. Johnston: I have a question for the Treasurer of the Liberal reform government that we have over there.

As the critic for the Ministry of Community and Social Services, I am a little surprised that, after the years we have spent on this side hammering the Tories when they were over there about abandoning large sections of our commu-

nity while we were going through a pretty tough depression and recession, the Treasurer has not learned from my report, *The Other Ontario*, or from the report of the National Council of Welfare of just a couple of days ago, about the increasing number of people below the poverty line and that he has refused to have a major increase in the rates for social assistance in this province at this time.

Why has he increased the rate by less than the rate of inflation? Why has he not made up for some of the deficit that these people have felt and the terrible travails that people are experiencing in Ontario?

Hon. Mr. Nixon: The honourable member hits me where it hurts. The four per cent increase is announced well in advance; it will take place on January 1. I cannot say I believe it is adequate or what we would like it to be.

I should point out something he is aware of, that we have ancillary programs. I was looking in the budget here to find them: improved access to child care; additional funds to assist young people, and particularly children, in families who are in receipt of this care; the housing programs, and so on.

The member makes the point on the basis of the four per cent. It does concern me that this is what we intend to do. The member also knows how persuasive the Minister of Community and Social Services (Mr. Sweeney) is, and he is doing an effective job. My understanding is that other programs associated with the needs of those people so aptly described are under way, and I hope they will be supported. In the meantime, however, the four per cent rate increase on January 1 stays.

Mr. R. F. Johnston: The reason we have so many ancillary programs in this province is that we have never given a basic, adequate income to these people, and I hope this government will recognize that.

The Minister of Labour (Mr. Wrye)—who is not here today; he is ill, unfortunately—when on this side of the House used to raise the inequity of the problem of disabled people living at a much lower rate of income than the elderly, even though they were going to need that kind of assistance for a long time. Currently, there is a \$183-a-month gap between what a disabled person receives in this province and what an elderly person receives. The Minister of Labour always said a Liberal government would change that. Why have we seen nothing to address that inequity in this government's budget?

Hon. Mr. Nixon: This is the best we can do for now. We will try to do better. Somebody has just reminded me in a note that I should recall that we have beefed up the reduction of income tax at the low level to include 390,000 people. They are not quite the same ones described, but at least there is some indication of our concern for the low-income level. The three per cent surtax shows our interest in the other end of the spectrum; it will apply to people earning \$50,000 or more.

The matter is of concern to us. I have listened to the speeches and participated in the debates to which the member refers.

Mr. Eves: Surely if the Treasurer could increase the deficit by approximately \$500 million, he could find some money for the poor and disadvantaged people of this province. The Minister of Community and Social Services was quoted in the newspaper earlier this week as saying he was very hopeful there would be funding and some extra moneys for the handicapped and the mentally retarded in this budget. What happened to those moneys? What happened to his wish list?

11 a.m.

Hon. Mr. Nixon: I can respond to that sort of complaint from the New Democratic Party, but I find it a little difficult from the Tories, who have been the power that has kept these people trampled down for all these years.

The honourable member refers to increasing the deficit by \$500 million, when in fact \$305 million of that was to pay off this bad deal, Suncor, that his leader got us into when he was Treasurer. If that member had had the courage of his convictions then, he might have kept the government and his former leader from making a decision that was so bad for the taxpayers of Ontario.

LAND-TRANSFER TAX

Mr. Gregory: I have a question for the Treasurer. His presentation of the provincial budget to the Legislature yesterday included a planned land-transfer tax increase affecting a significant number of Ontario citizens, more specifically, all home owners. Does the minister not agree that in the current rental market, with vacancy rates at rock bottom, he would not wish to penalize potential home owners who could alleviate this despicable situation?

Hon. Mr. Nixon: We thought it was time to bring the land-transfer tax up to date. The only difference of substance was a new rate that

applies a surtax on houses that are sold for more than \$250,000.

I am concerned about those people. I have heard a question from the member's colleague about the poor people. I suppose it is a balance. He brings to my attention that we are putting this tax on people who are buying \$250,000 homes. I feel it can be justified as a basis to pay for the programs we want to bring forward. There are probably more houses of that cost in Mississauga than there are in South Dumfries, but I felt the increase in tax was and is justified.

Mr. Gregory: It may come as a surprise to the Treasurer, but I can tell him that a purchase of a \$250,000 home is not uncommon in the greater Toronto area, particularly in some of the areas where my friends to the left live—in Cabbagetown and what have you—in renovated homes.

Interjections.

Mr. Speaker: Order.

Mr. Gregory: I am talking about the Metro Toronto area, which comprises about 25 per cent of the population of Ontario.

Is the Treasurer aware that the proposed increase introduced in his budget yesterday would represent on the purchase of a \$200,000 home, which is not an unrealistic figure in this area, a land-transfer tax increase of 21.4 per cent? On a \$100,000 home it represents a tax increase of about 17 per cent. A \$100,000 home is not exactly uncommon, but the tax on it is being increased at the rate of about 17 per cent.

This is rather a significant percentage in accordance with existing economic indicators such as the rate of inflation. In real terms this figure represents a total tax of \$1,725 on a \$200,000 home. That would be paid by the purchaser and with the down payment.

Mr. Speaker: Is your question, "Do you agree"?

Mr. Gregory: Does the Treasurer agree? Can he explain the implementation of these significant tax increases for the near-average home owner?

Hon. Mr. Nixon: I agree with the member that they are significant tax increases. We went over every source of revenue carefully and decided to bring the tax up to what we considered to be the appropriate level at this time. I am not going to indicate that I feel that people at the top end of the income spectrum do not feel tax increases as heartily as anyone else, but they have the ability to pay. We feel the land transfer tax has been graduated in a fair and equitable way

so that it will meet its historic commitment to the payment of revenue in the province.

NORTHERN DEVELOPMENT

Mr. Martel: In his budget, the Treasurer deals with problems involving youth, but the Sudbury area and other parts of northern Ontario are totally different from the rest of the province. Is the Treasurer aware, for example, that in Sudbury, in the age group that is highly unemployed, one half of those unemployed are males, family men aged 25 to 44, and more than half the people who are on welfare and employable are from the same age group?

Can the Treasurer tell me why he did not put in a program—I do not believe \$100 million spread over five years is going to do it—

Hon. Mr. Nixon: That is my answer. It will. Do not give us that.

Mr. Martel: I know it will not. That is why I am trying to cut off the Treasurer's answer.

Can the Treasurer tell us why, knowing these factors, he did not do something in a more tangible way to resolve the problems of those one-industry communities in northern Ontario such as Sudbury?

Hon. Mr. Nixon: I agree with the honourable member that mentioning the problems of one-industry towns in the budget is not a sufficient response. However, in spite of the fact that he does not think it is good enough, I will say the \$100-million northern development program is quite effective. It is twice as rich as the one we inherited. Maybe it should be bigger, but at least it has doubled. The big change here is that we have an effective minister applying it, a man from the north who even now is travelling in that part of the province.

The honourable member and his colleague the member for Nickel Belt (Mr. Laughren) came in with the municipal leaders of Sudbury and made the presentation that he pointed out. It really was surprising to me, and it was very effective in demonstrating that, while young people have a problem there, it is the basic work force that is suffering the high levels of unemployment and the depredations of the economic downturn that Sudbury has suffered probably more than any other area. I think the unemployment rate is from 12 to 14 per cent and arguments can be made that it is effectively higher.

One of the things we did, which was pooh-poohed a bit yesterday, was to introduce a new type of mining tax we think is going to be stimulative for the mining industry, which is the Sudbury industry. It does not mean one is going

to walk out in the backyard of one's home and find some new kind of mine, but it does mean prospecting in northern Ontario should be stimulated. As a result, we hope hard-rock miners will have more jobs available to them.

There is not much we can do about the world price of nickel; that is a fact. The projections federally in the Macdonald royal commission are not that optimistic for these metals in the future. As a matter of fact, reading that is a bit depressing, but we feel the new approach to mining tax, after the John White tax that has really held the mining business down for so many years, is going to be productive and worth doing.

Mr. Laughren: I wonder whether the Treasurer really comprehends just how serious the deindustrialization of northern Ontario has been in the last 10 to 15 years. Why will he not make a commitment here and now to remove some of the processing exemptions currently in place, which allow, for example, Falconbridge to ship all its ore to Norway for further processing? Why will the Treasurer not remove that exemption so we can create meaningful long-term jobs, not just in Sudbury but all across northern Ontario?

Hon. Mr. Nixon: The Minister of Northern Affairs and Mines (Mr. Fontaine), who is even now travelling in northern Ontario, is the person who should respond to that. Certainly since I came into the House, 23 years ago, the arguments against that exemption have been put forward year after year.

It is interesting to note the Minister of Northern Affairs and Mines has not approved the exemption needed in the Sudbury area at the present time, I believe, but certainly will do so, because we have to keep the mining operation going. It also has to be a subject for the sort of long-range planning that should have been undertaken over the past many years.

For the honourable member to suggest that the Treasurer get up on this sunny Friday morning and say, "Yes, we are going to do it," is not totally believable, but it is a matter of which I am aware and I share the member's concern.

11:10 a.m.

Mr. Gordon: Is the Treasurer not aware that it is not a particularly sunny morning for those workers in Sudbury who are over 24 and up to 55 and 60 years of age who are jobless and for the other workers, too, in the rest of the province? There is a growing group of Ontario workers who are unable to find jobs and require retraining and reallocation money. The Treasurer did not pay any heed to those workers in the budget. This is going to be a dark, rainy weekend for them

despite his forecast. What is the Treasurer going to do about it?

Hon. Mr. Nixon: In talking about the high levels of unemployment in the north, the honourable member is entirely correct. There was a time when Windsor, Brantford and some areas in the Niagara Peninsula shared that high level of unemployment. Those areas are still above the average, but it is the one-industry towns in the north, particularly mining, that are most deeply affected.

I simply say again that our initiatives in this budget include doubling the northern development fund and a new approach to applying it that has already been announced in the clearest possible way by the Minister of Northern Affairs and Mines, who wants to involve the communities in their own destiny in this way. We have provided a new Mining Tax Act. We have provided for medically necessary travel with the commitment of an additional \$12 million, or approximately that amount. We feel our commitment to the economy of the north, while still insufficient, is better than the previous government showed in many years.

SOUTH AFRICAN WINES

Hon. Mr. Kwinter: I would like to respond to a question put to me yesterday by the member for Scarborough-Ellesmere (Mr. Warner). I want to assure all members that this government is committed to its opposition to the racist apartheid policies of South Africa. On August 14, 1985, we took the initiative of discontinuing the purchase of South African wines and liquors.

I would like to read from the statement of the Premier (Mr. Peterson) at that time, in which he said: "Instructions have been issued to the Liquor Control Board of Ontario that, effective at 12 noon today, no additional purchases of South African wine and other products will be made. Existing stocks will be sold off in accordance with previous practice." We are adhering to that policy.

In his question, the member for Scarborough-Ellesmere stated "this order was placed by the government of Ontario after it announced a ban on South African wines." I have checked with my officials and they have informed me that the last order for South African wines and spirits was placed on July 31, 1985. The shipment that arrived in Toronto recently is a result of that order.

Mr. Warner: It would appear the minister is not receiving correct information. According to the LCBO, it allows a maximum of a 60-day

turnaround on orders. Since the ship left South Africa on or about September 15 and the shipment was received yesterday, it is clear the order was placed after August 14, either that or the whole system of ordering has broken down. Would the minister conduct a complete search? It is my information that the order was placed after August 14.

Hon. Mr. Kwinter: I am satisfied no orders for South African spirits or wines have been placed after July 31, 1985.

HIGHWAY CONSTRUCTION

Mr. Baetz: I have a question for the Premier. It relates to the statement he made this morning on the completion date of the Ottawa-Carleton Queensway. Is the Premier now admitting that his election promise to the people of Ottawa-Carleton and eastern Ontario—I have a nice record of all those statements and promises—to complete the Queensway long before the realistic target date of 1988 set by our government is just another one of his many broken promises?

Is the Premier now prepared to admit that our target date of 1988 was indeed realistic and that all his election talk was just what the announcement today is, namely, an exercise in pooper and dupery, and that he is not going to be able to reduce the inconvenience to Ottawa motorists—

Mr. Speaker: Order. I think the question has been asked. I am just not certain about that.

Hon. Mr. Peterson: I am sure that pooper and dupery must be unparliamentary, particularly for an honourable gentleman such as he. In talking about our commitments to do the things we said we would do, I must say I have spent a great deal of time in Ottawa, a community I have great respect for, a great Ontario community. One of the things I have sensed as I have travelled there over the years is that they were forgotten by Queen's Park, because I had the sense that historically the representation there has not been strong in pressing the case.

With respect to Highway 417, the Queensway, there was talk from the former Minister of Transportation and Communications, who is no longer a member of this House. I just read the other day that the former minister got a federal appointment, so he is looked after, and I believe another member from Ottawa got a deal to get a federal appointment, too. That leaves the member for Ottawa West (Mr. Baetz) here alone carrying the case.

They were talking about seven years to complete the Queensway, and then it was down to five years. We said we would complete it in

three, and that is what we are doing today. We have honoured all of our commitments because of our profound respect for the people of Ottawa and Carleton and our commitment to eastern Ontario.

Mr. Sterling: I am so happy today to hear from the Premier that the Queensway is back on schedule. I am so pleased to hear that.

I want to question him, however. On June 13, I asked the former Minister of Transportation and Communications in our government about the progress on the Queensway. He replied twice in this House that the Queensway was on schedule. Can the Premier tell me what happened between June 13 and June 26? Did it fall off schedule then, or did it fall off schedule after June 26? Did the former Minister of Transportation—

Mr. Speaker: Order. The question has been asked. That is ample supplementary.

Hon. Mr. Peterson: I am not sure what this has to do with separate schools, but let me just answer the question more specifically. There were, as the honourable member knows, a number of statements from the former Minister of Transportation and Communications, because my colleague from the Ottawa area put a great deal of pressure on the minister at that point. The member will recall that and perhaps he joined in that. If he did, I give him a great deal of credit. I do not specifically remember the question the member asked in the House with respect to the Queensway, but if he was joining us to press the minister, I appreciate that.

The member will be aware that one of the original timetables was in the seven-year range, and then it was down to a five-year range. We have said that because of the massive inconvenience to the people in Ottawa and Carleton we would move quickly. We have done exactly what we have said we would do. My colleague today is in Ottawa discussing the details with regional and city officials. We have put an extra \$9 million into that great corridor because we are committed to the economic viability of eastern Ontario.

I thank the member for his support of our position along the way. I think he is one of the reasons we have had such success today.

Mr. Swart: Mr. Speaker, I have a point of privilege at this time.

Mr. Speaker: What is your privilege?

Mr. Swart: My privilege relates to the answer given yesterday by the Minister of Health (Mr. Elston) in reply to a question about the ambulance workers, in which he stated that the settlements which were arrived at in other

ambulance services in the province had been within the framework of three per cent. The actual transfer to Fleetwood Ambulance Service in Hamilton was 3.9 per cent.

Mr. Speaker: It appears to be a point of view to me. However, I would like to remind the member that if he is not satisfied with the answer of a minister, there is a proper procedure in the standing orders.

11:20 a.m.

PETITION

ROMAN CATHOLIC SECONDARY SCHOOLS

Hon. Mr. O'Neil: I have a petition that has been submitted to me by the grand knight of the Knights of Columbus council in Trenton, Ontario.

"To the Honourable the Lieutenant Governor and the Legislative Assembly of Ontario:

"We, the undersigned, beg leave to petition the parliament of Ontario as follows:

"Whereas it is the sincere expectation of more than 500,000 students and staff of the separate school system of Ontario and nearly four million separate school supporters in the province of Ontario; and

"Whereas it was clearly the intent of our forefathers to treat both sectors of our common school system equally; and

"Whereas this intent is evident in successive acts of the Legislature since 1841; and

"Whereas the rights of separate school supporters are now protected under the Constitution of Canada; and

"Whereas deviation from past practice has occurred within the last 20 years, whereby trustees of the nondenominational sector of the common school system have been given the right to administer secondary school education; and

"Whereas similar rights have not been granted to the trustees of the separate school sector; and

"Whereas the then Premier, the Honourable William Davis, on June 12, 1984, informed the Legislature that it was the intent of his government to empower Roman Catholic separate school boards to operate secondary schools for secondary students, commencing September 1, 1985; and

"Whereas this intent was unanimously supported by all parties in the House;

"We petition the Ontario Legislature to implement the policy on the funding of the completion of our separate school system without delay in order that it can be applied on September 1, 1985.

"We further petition that this legislation protect the historic rights of Roman Catholics to maintain the special character of their separate schools."

This petition to the Lieutenant Governor is signed by 862 people in the riding of Quinte.

MOTIONS

COMMITTEE SITTINGS

Hon. Mr. Nixon moved that the select committee on energy be authorized to meet following routine proceedings on the afternoon of Thursday, October 31, 1985.

Motion agreed to.

COMMITTEE REPORTS

Hon. Mr. Nixon moved that an order be placed on Orders and Notices for the adoption of the recommendations contained in the 1984 report of the standing committee on public accounts.

Motion agreed to.

COMMITTEE SUBSTITUTIONS

Hon. Mr. Nixon moved that the following substitutions be made on the standing and select committees: on the standing committee on administration of justice, Mr. Warner for Mr. Reville; on the standing committee on procedural affairs and agencies, boards and commissions, Mr. Martel for Mr. McClellan; on the standing committee on resources development, Mr. Hayes for Mr. Martel; on the standing committee on social development, Mr. Reville for Mr. D. S. Cooke; on the select committee on the environment, Mrs. Grier and Mr. Charlton to be added; on the select committee on health, Ms. Gigantes and Mr. D. S. Cooke to be added.

Motion agreed to.

ORDERS OF THE DAY

BUDGET DEBATE

(continued)

Resuming the adjourned debate on the motion that this House approves in general the budgetary policy of the government.

Mr. McCague: It is a pleasure to join in this debate today on the economic and budgetary policies of the government. As I mentioned to the Treasurer (Mr. Nixon) last week, we all in this House have had great admiration for his abilities, especially his abilities in debating issues over a great number of years. Those abilities overshadow greatly his ability in his new role.

I want to recite again a few of the Treasurer's own words when he was saying what kind of

Treasurer he thought the province needed. These are his words: "a very tough, independent and dedicated Treasurer; a person who holds himself somewhat independent from his colleagues in the cabinet." I believe those are the minister's own words because they were recorded in Hansard.

As I said, we have all come to know the Treasurer very well. I do not believe he has followed through on this statement. I do not believe he was independent. He cannot write so well, I am sure. The wizardry, the creative writing that is in here, is outstanding, to say the least; it takes a few hours to understand it. I think the Treasurer was of the same opinion.

I cannot see any of the ideas that the Treasurer has espoused for two or three years in his own budget. I am not sure whether the Premier (Mr. Peterson) was supreme in all this, whether his colleagues were able to encourage him to do thus and so or whether it is a compilation that was dreamed up by his staff. It seems to me, from my days in Management Board, that the ideas that are included here were being floated around at that time. Maybe we can assume from that that it is a bureaucrat's budget and not that of the Treasurer we know. We know him to be a farmer, to be a man very interested in all his constituents.

Hon. Mr. Nixon: Outstanding in his field.

Mr. McCague: That is right. He stands behind everything he sells except the manure spreader. However, it does not seem the Treasurer was able to capture the mood of the people in his area.

As I recall, there are many tobacco farms in that area. While they are mentioned in here—"The program will recognize the particular difficulties faced by the tobacco-growing sector"—the difficulties are going to be answered by paying them something to leave the agricultural industry, as I read it. That is why I do not think it is the Treasurer's budget. He would have been more concerned about the people in his own area.

There are a couple of programs that the Minister of Agriculture and Food (Mr. Riddell) announced some time ago. Other than that, there is nothing in there for agriculture. I think that is very important in the Treasurer's part of the province.

I am sure the Treasurer is disappointed today, in that in all the documents that are printed, he starts off with a litany about how he has a realistic presentation. Very few people believe that today, but "A Realistic Presentation" is the first headline here. Then he goes to "Ontario's

Investment in Suncor," "Ontario Land Corporation" and "A Clean Slate."

He thought the start of his budget, the initial writing, would attract all the attention. That has not happened. In regard to creating jobs, I will admit he has done a good job for youth, but what has he done for the unemployed and women? That seems to be a void, and it is an area he should have addressed.

"Helping Ontario's Farmers"—we have covered that.

"Improving Access to Child Care"—it seems he made a great decision to have 10,000 day care spaces. The fact is that there were 7,500 promised in any event. He has increased that by 33 per cent.

"Helping Seniors Maintain Independence"—that is addressed by saying \$11 million will be provided on an annual basis to strengthen support services for the elderly in our communities. What does that mean? I presume we will hear about that later.

Hon. Mr. Nixon: Meals on Wheels.

Mr. McCague: Meals on Wheels? That program is older than the Treasurer.

"Developing Northern Ontario"—there is very little in here. What about his promise of a tax credit of \$100 per household per year that he touted so wonderfully during the election campaign?

11:30 a.m.

"Small Business Development Corporations"—there is some assistance but also a cutting-back of the rebates.

"Transfer Payments" is quite interesting.

"School Boards"—I do not know what the Treasurer means when he says he is increasing general legislative grants by 5.4 per cent. I have not yet figured out how that relates to the fact that he is going to increase the percentage paid by the province from 47 per cent to 60 per cent. How does the 5.4 per cent work into that?

He has also made great note of the fact that he is going to give \$107 million a little sooner to the school boards. On quick reading, one would think he is giving them \$107 million when he is not. He is giving them a little bit of money, that being the difference between paying a little earlier rather than a little later.

"Hospitals"—I have trouble with his musings on hospitals or on the Ministry of Health. For instance, the ministry's budget increased by \$800 million from 1983-84 to 1984-85. The Treasurer is now increasing it by \$600 million. What is he proposing to cut back? I do not think he can have an \$800-million increase one year

and a \$600-million increase the next and still profess to be giving better treatment than before.

The Ministry of Tourism and Recreation I see he has cut back by \$7 million.

Regarding the Ministry of Transportation and Communications, the Premier announced today that the Treasurer is speeding up the progress of the Queensway in Ottawa. The scheduling for that was worked out very carefully with the regions, which were happy. I do not know what kind of game the Treasurer is playing today, other than that perhaps the Premier was just announcing that the minister was in Ottawa today. That is the only thing I can see; nothing has changed.

This document, as I said, contains a lot of great prose, and that basically sums it up.

Personal income tax is up by four per cent. Corporation tax is up. Ad valorem—a great move that was.

Hon. Mr. Nixon: I liked it.

Mr. McCague: I am sure the minister did. He took off the ad valorem tax and put on another form of tax, which is higher. He knows the general consensus is that fuel prices will come down. He was very clever. Had ad valorem stayed, the tax would have come down. He was not satisfied with that; he wanted the constant tax regardless of what the price was. He did accomplish that, and few people congratulate him for that.

The increase in licence fees is 40 per cent in some cases. It goes on and on.

I find it very difficult to be doing anything other than personally complimenting the Treasurer. I find his work in this area is quite sufficient. Maybe at some time we will get to the root of who it was that persuaded him to produce such a document. It is a unique document. It is the first time in more than four decades that a Liberal has presented a budget in this House. I would have thought, given that they had 40 years to think about it, that it would have been a little better.

Only a week ago, in the debate on interim supply, I told the Treasurer that we in the official opposition were looking forward with some anticipation to his first budget. I said we were looking forward to it because we believed the first budget would guarantee it would be the last Liberal budget for another 40 years. I would like to thank the Treasurer for his assistance.

Hon. Mr. Nixon: That is very unkind.

Mr. McCague: I would be less than frank if I did not say it was a major disappointment. It is a sorry day for the province when, in place of a

coherent and comprehensive set of economic and fiscal policies, the government offers a hotch-potch of accounting hocus-pocus, half-baked programs and broken promises as this budget does.

The members opposite and their predecessors have had more than four decades in which to think about the programs and policies they would like to implement to improve the quality of life in Ontario. The results of their reflections as presented yesterday suggest they needed more time to deliberate. I trust we will be able to provide them with all the time they need when they next decide to face the electorate.

All the Liberal Party had to offer the people of this province was a chorus in creative bookkeeping with \$754 million in tax increases, a larger deficit and a formula for economic stagnation. It must be a particular disappointment for those who voted for the Liberal Party in the last election in the belief that it would deliver on its many promises and commitments.

It must be a great disappointment for women to find that the budget contains no new programs to address their needs and interests. It must be a disappointment to those who live in the north to find that the budget offers so little to improve the quality of life and to diversify the economy of that region. It must be a disappointment to farmers to discover that the budget contains little that will help them stay in business or make it easier for new farmers to start in business.

It is certainly a disappointment to all Ontario taxpayers to find that the price of Liberal fiscal responsibility is \$754 million in tax and licence increases at a time when the Liberal government has barely made a start on meeting its campaign commitments. Ontario's taxpayers must be asking, "If it costs \$754 million to break promises, how much will it cost if they ever get around to keeping their promises?" I venture to say we may get the answer to that question in the spring budget.

I would think this budget would also be a disappointment to our friends in the third party. It demonstrates that their leader, the member for York South (Mr. Rae), may have been right when he suggested that if it were not for the accord, this government would be all dressed up with nowhere to go.

The budget demonstrates the truth of the adage about so-called good, new Liberal ideas: the good ideas in it are not Liberal and the Liberal ideas are not new. The only two identifiable Liberal ideas in the budget are ones not proposed by either of the other two parties in this House: to

write down the assets of the province and to increase taxes. That appears to be the sum and substance of what passes for Liberal economic policy.

I do not mean to suggest the budget was totally bleak. The documents had their high points and highlights. The cover is very attractive. It is what is between the covers that we found disturbing. However, there was some good reading even there.

I particularly enjoyed reading the sections of the budget that indicated the economic and fiscal policies of the former Progressive Conservative administration had been an underlying source of strength in Ontario's remarkable performance over the past few years.

11:40 a.m.

I especially enjoyed reading the financial tables that reaffirmed the success of the PC government's deficit reduction strategy over the past two fiscal years. I know my friend the member for St. Andrew-St. Patrick (Mr. Grossman) must have been pleased to have a Liberal administration confirm the success of the measures he introduced in the budget of 1984.

I am sure the Speaker and those members who were present in the House at that time will recall what the Liberals and the New Democratic Party had to say about that budget. The member for London Centre (Mr. Peterson), who is now the Premier, called the budget a fraud and accused the former Treasurer of crafting an illusion. He certainly takes a back seat to our present Treasurer.

The former member for Rainy River said the budget's projection of 4.7 per cent real growth in 1984 was optimistic and the budget was based on extremely faulty assumptions and a great deal of quicksand.

The leader of the third party was also unkind in his assessment of our last budget. He said of the deficit reduction projection, "The miracle with the deficit takes the level of creative accounting to the level of absolute hokum," and that the then Treasurer was giving voodoo economics a bad name.

The 1985 Liberal budget confirms that what they called a fraud of a budget helped this province achieve a real growth rate of 6.5 per cent last year, well above the budget projection of 4.7 per cent which they regarded as too optimistic.

We also know that in the last fiscal year, that illusion of a budget helped this province attain an unemployment growth rate of 4.5 per cent, well above that experienced in the rest of Canada. We

know that when the Progressive Conservative government left office in June 1985, there were 185,000 more people employed in Ontario than there had been a year earlier. We know that between June 1984 and June 1985, youth employment in Ontario increased by 18,000 while it dropped by 10,000 in the rest of the country.

The Liberal budget now reports that on the basis of the type of economic leadership this province has enjoyed in the past few years, Ontario is poised for a fourth successive year of growth. As for that miracle with the deficit, the financial tables confirm it turned out to be more of a miracle than expected. The deficit was reduced by \$337 million relative to budget projections and by \$587 million relative to the previous year's deficit.

These facts are known to all members. I reiterate them for three reasons.

First, they demonstrate the Liberal Party's comprehension of what constitutes good budgetary policy. Their understanding of the kind of policy needed to secure growth is seriously deficient. In my years in this House, I have never seen a better exercise in voodoo economics or in creative accounting than we were treated to yesterday.

Second, I mention these facts because, in my view, we in the Progressive Conservative Party can be justifiably proud of our record on job creation, economic growth and deficit reduction.

Third, I want to make it very clear to the members opposite that our record establishes the benchmark against which we and the people of this province will judge their performance and the efficacy of the programs and policies they have introduced in this budget.

Based on what they have presented in their first budget, they have made a poor start on maintaining that record, improving the very real accomplishments of the past and honouring the commitments they made to the people of this province.

I would also caution them that, while they assumed responsibility for a province with a well-managed public sector and a strong and dynamic private sector, they will be able to coast for only so long on the achievements of past administrations. When that time comes, I can only hope, for the sake of the people of this province, that they have more to offer in the way of economic leadership than they showed us yesterday.

I found the Liberal government's first budget to be a major disappointment, a feeling I suspect

is shared by a majority of the people of this province who are aware of the event. While I am disappointed, I am not surprised that the government has done so little to improve the quality of life in Ontario. No doubt there are those who are disappointed and surprised that a party and a government that promised so much delivered so little.

Particularly distressing is the fact that the government has not lived up to its commitment to conduct its affairs in a fiscally responsible manner. As an example of this, I would call the members' attention to the significant increase in the deficit effected by yesterday's budget.

In fiscal 1985-86, the net cash requirements of the province will increase from \$1.7 billion to \$2.2 billion, approximately the level they were at in 1983-84 when the province was beginning to emerge from a recession. While we are told that this increase is attributable to extraordinary adjustments, I find it troublesome, perhaps because I question whether the write-down of certain assets, Operation Clean Slate and so on, are not more politically expedient than they are fiscally responsible.

In any event, I would suggest that any increase in the deficit during a period of economic expansion should be avoided. Increasing the deficit in a period of economic expansion will serve to reduce government's ability to respond positively and constructively in economic hard times. It was because the government of Ontario had managed its finances in a fiscally responsible manner that it was able to increase its deficit to fund programs to help the people of this province through the recession without undermining the fiscal integrity of the province.

I would not like to think the increase in the deficit associated with these extraordinary adjustments would deprive the province of that flexibility. As well, this \$511-million increase in our net cash requirement ends the trend towards deficit reduction established in the last two years and of reducing our deficit in relation to the size of our economy.

Both of these facts may result in the loss of the province's triple-A credit rating, on which I will have more to say later. For the moment, I will say only that I hope this budget is not indicative of what the Premier meant when he said he would use the deficit as a creative tool.

I suppose the members opposite would argue that they have increased the deficit to create a clean slate and will honour their commitment to reduce the deficit in the medium term. It will be what they write on the so-called clean slate that

will determine whether this government will be able to keep its promise of funding necessary programs without increasing the deficit.

While we are on the subject of clean slates, I think the member for St. Andrew-St. Patrick deserves our congratulations for correctly forecasting the inclusion of the clean-slate program in the budget.

Hon. Mr. Nixon: The member means that some creep phones him and then he gets up in the House and repeats it.

Mr. McCague: The Treasurer might not want that comment recorded—

Hon. Mr. Nixon: Record it.

Mr. McCague:—just in case it happens to be a member of his staff.

Hon. Mr. Nixon: I am sure it was not.

11:50 a.m.

Mr. McCague: Who else knew about it?

The Deputy Speaker: Order.

Mr. McCague: I am certain it was not the sanitation experts from the city of Toronto.

They are running a tight ship over there in the Liberal Treasury, no doubt part of their effort to reform the budget process. Whatever my friend's abilities as a prognosticator are, for the average person, the Liberal government's use of the deficit as a creative tool has produced only a budget that is an accountant's dream and a taxpayer's nightmare: higher taxes and a bigger deficit.

In creating the clean slate on the way to increasing taxes and inflating the deficit, the Liberal government apparently invoked some of the mysteries of accounting not accessible to a layman such as me. As the Treasurer said of himself on Monday last, "I am not an economist or an accountant; I am not even a bean counter," so I will not pretend to be qualified to pass comment on the appropriateness of the methods employed in adding \$500 million to the provincial deficit.

I did note in reading the budget, though, that the one extraordinary adjustment that had the greatest impact on the net cash requirements was the discharge of the Sun note obligation. This one item accounted for \$305 million of a total of \$518 million in extraordinary adjustments.

In total, the budget identified 19 items as extraordinary adjustments, of which only four are identified as having any impact on the net cash requirement. Of those four, the restoration of cash advances to school boards to the seven per cent level is the result of a policy decision by the government, and it is not clear to me why it is

included on the list. In any case, we are left with either 14 or 15 of these extraordinary adjustments that have no impact whatever on the financial position of the province and must therefore be regarded as mere bookkeeping.

One has the impression that this budget is just so much busy work, that the government has so little idea of what to do in this budget that it simply decided to spend some time shuffling the numbers.

The only reason I mention this busy work at all is that I continue to be amazed at the way the government is trying to dispose of the Suncor shares. We are told in the budget that a review is now under way to determine the best method of dealing with the Suncor shares, that disposal options are being assessed and that the shares will be sold as soon as is financially prudent.

In the interim, I hope members of the government party will refrain from making the type of gratuitous comment we have heard in this House in the past few weeks, which does nothing to enhance the chances of getting a fair price for these shares. I would have thought it would be in the interests of the Liberal government to get the best possible price on the Suncor shares.

When they sat on this side of the House, I recall that they had a very simple formula for solving all the province's financial problems. When asked how to pay for programs, reduce the deficit and stabilize debt levels, the members opposite would chant: "Sell Suncor. Sell the land banks. Ban extra billing. Eliminate waste and inefficiency." The one measure they never mentioned, the one thing that never entered their vocabulary, was tax increases, yet that is the one thing they have delivered.

I recall that when the Liberal leader was asked during the spring campaign whether he would increase taxes to reduce the deficit, he replied that he did not anticipate any tax increases; rather, he anticipated some tax shifting—as he said, shifting the burden in some ways by cutting taxes in some areas. Yesterday's budget again demonstrates the difference between the Liberal Party on the campaign trail and the Liberal Party in power.

Yesterday's budget shows that the tax shifting the Liberals were anticipating was an upward shift in the tax rate. Personal income tax has been increased by four per cent, or by two percentage points to 50 per cent of the base federal tax, beginning with the 1986 tax year. That is another \$70 to \$100 a year for the middle class. It will give them the opportunity to contribute another \$26 million to the Liberal government this fiscal

year and about \$300 million in the next fiscal year.

I noted that while the Treasurer has expressed some concern about the fairness and impact of the federal government's capital gains exemption, his budget makes no mention of federal tax measures in the personal income field, such as the elimination of the federal tax deduction and modified indexation of exemptions and tax brackets. These measures, scheduled to come into effect in the 1986 taxation year, along with this government's increase in the provincial income tax rate, will guarantee the taxpayer, especially the middle-income taxpayer, will be in for a nasty shock.

As part of its tax-shifting strategy, the government has also seen fit to impose a three per cent surtax on Ontario income tax in excess of \$5,000. Again, this measure parallels a temporary surtax of five per cent or 10 per cent, depending on income levels, imposed on high-income individuals by the federal government in its last budget.

The corporate tax rate is also on the rise and the public is being asked to pay an additional 12.5 per cent for vehicle registration and another 40 per cent on driver's licence fees.

Another example of this government's creative approach to revenue raising is the increases in the so-called sin taxes. The ad valorem system has gone, replaced by a fixed rate on per-unit sales of cigarettes, gasoline and fuels. Of course, the new rates represent an increase over the old rates, but that is the purpose of having new rates.

In the case of the gasoline tax, by abandoning the ad valorem system, the government has sheltered itself from any loss of revenue caused by the decline in the price of gas. The markup on beer, wine and spirits has gone up by 10 cents, a move which will be of real benefit to the hospitality industry for which this government professes to have so much concern. It was no doubt its concern for this industry which prevented the government from honouring its campaign pledge to eliminate the tax on accommodation.

To its credit, the government has met its commitment to exempt feminine hygiene products from sales tax. But then, perhaps overwhelmed by its own generosity, the government found it could not deliver on its promise to exempt meals which sold for \$4 or less. It did, however, provide what I call the small-fries exemption for prepared foods which cost \$1 or less. I call it the small-fries exemption because an

order of small fries is about the only thing it will apply to.

Mr. Foulds: And coffee.

Mr. McCague: The bottom line is that instead of the promise of \$192 million in annual sales tax breaks, it delivered \$47 million in sales tax breaks over two years.

Somebody mentioned coffee. I would like to see whether establishments lower the price of coffee because of the generosity of the Treasurer. The members might let me know.

Mr. Foulds: It will not be taxed. They may make more coffee.

Mr. McCague: I am sure the member for Port Arthur (Mr. Foulds) is not holding his breath.

These are but a few of the innovative revenue measures this government was able to devise after its 40 years of reflection on the finances and economy of the province. No doubt some of my colleagues and members of the third party will discuss these and other measures as the debate proceeds.

These new tax measures will net the government a total of \$754 million in this and the next fiscal year. That is not enough money to start phasing out Ontario health insurance plan premiums and continue to fund necessary programs without increasing the deficit, to mention but two of the commitments the government made which it has still to honour.

It seems there may be more tax increases in the offing for the Ontario taxpayer. Having raised the personal income tax rate in this budget, can an increased retail sales tax rate be far behind?

12 noon

To this point, the Liberal government's commitment to tax shifting has succeeded in shifting more than \$700 million out of the pockets of the taxpayers and into the Liberal Treasury. One might not mind paying increased taxes if they were being put to some socially beneficial use and were being applied in the public interest. However, there is nothing in this budget to indicate that will be the case.

The Treasurer told us his assessment of the existing revenue structure indicated it "was not adequate to meet the increasing cost pressures associated with providing services to the people of Ontario, within a framework of fiscal responsibility." I suggest to the Treasurer that the existing revenue structure is not adequate to meet the pressures associated with his party's exorbitant campaign promises and his party's commitment to its guardian angels to my left.

I suggest to the Treasurer that fiscal responsibility was the last thing on his party's mind during the last campaign, when it ran around the province promising the moon and the stars. I suggest to the Treasurer that if fiscal responsibility were a concern, it is a peculiar thing that promises which were fiscally responsible to make in April are promises he can break or postpone in the name of fiscal responsibility in October.

As I mentioned, while I am disappointed by the things that are in the budget in the way of tax increases and an inflated deficit, I know there are many others around this province who are disappointed by what is not in the budget. They have reason to be disappointed, because this budget does not deliver on at least \$642 million worth of campaign promises. It does not deliver on commitments to health care programs, environmental initiatives, programs for women, resources development and the farm community. It does not deliver on promised transportation programs or small-business programs and so on.

No one, and I include the members of this party, expected the Liberal government to do all in its first budget, but they did expect, and the people of Ontario expected, that it would do something more than this budget proposes. As it stands, the only question we can sensibly ask about this budget is, which group in our society did it most disappoint?

Undoubtedly, those who looked to this government to honour its commitments on health care will be disappointed by this budget. As expected and as we predicted, this budget does not begin to implement the Liberal commitment to phase out Ontario health insurance plan premiums over a five-year period. The budget makes no mention of the OHIP premium issue or of any improvements to the premium assistance program. In this fiscal year, revenues from OHIP premiums will increase by about 3.3 per cent and cover about 18 per cent of the total health-care bill, as compared to about 19 per cent last year. This is but the continuation of a trend established over the past few years.

As noted, the budget makes no commitment to any improvements to the premium assistance program, let alone to an eventual phase-out of OHIP premiums. I remind the members that when this party was in power, it committed itself to a freeze in OHIP premiums and to an increase in premium assistance as it moved towards financing the OHIP system from tax sources less onerous to low-income families. Apparently, the government was not willing to go that far in

providing a commitment to affordable and accessible health care.

The senior citizens of the province must also be disappointed with the new Liberal government. The budget speaks glowingly of that administration's commitment to meeting the needs of an ageing population and to revitalizing community care. Its accord with the New Democratic Party calls for a reform of services for the elderly. We are told the government is developing a longer-term support strategy. Its rhetoric is not supported by any significant action. The government has pledged \$11 million annually, and we all recognize that will be stretched very thin over existing home care and homemaker services and programs.

Senior citizens must also be disappointed by the failure of the government to establish the denticare program it promised during the last election campaign. Perhaps when they assumed office, our friends opposite realized the \$50 million they thought that program would cost was a gross underestimation, as we had been telling them all along, and its real costs would make it fiscally irresponsible to implement.

Another group which appears to have been forgotten in this government's rush to fiscal responsibility in the form of higher taxes and a bigger deficit is the arts and cultural community. When the Premier said in his ministerial statement that his government was committed to ensuring an arm's-length relationship with funded arts and cultural groups, I am not sure they were to take that to mean he would not go near them with a 10-foot pole. This government's commitment to the activities and programs of the Ministry of Citizenship and Culture is reflected in the fact that support for this constituency, which the Liberals in opposition long claimed was underfunded, does not merit a mention in the budget.

One thing which merits a mention is the government's commitment to a housing policy. We will apparently have to wait and see what that is. As in a number of other instances, the government is still in the process of developing an integrated strategy. This process is no doubt hindered by the fact that the minister responsible remains uncertain as to his party's position on a number of vital points.

In the interim, I suppose our friends in the New Democratic Party are relieved to find that, in the budget, the government took at least the first step towards meeting its accord commitments on housing. While 10,000 units over three years is not the immediate \$100 million, 14,000 units in

one year, as promised during the campaign, it must be taken at least as a good-faith gesture.

In the few details provided, it is difficult to determine how the government will encourage private developers to provide the 5,000 rental housing units called for in the budget. Over the last month, it seems one private developer after another has declared it will not be building any new residential rental units. For example, Bramalea Ltd. has said the government's decision to eliminate the 1976 exemption was at the base of its decision not to build any rental accommodation over the next 14 months. Also, I note three of the biggest private developers in the Peel region—Bramalea, Shipp Corp. and Pagebrook—have all said they will not get involved in any more government subsidy programs.

How the government will change their minds is not clear, but then very little is clear about this government's housing policy, especially with regard to rent review. I realize the Treasurer does not share that view. However, as has been demonstrated in question period in this chamber in the past few weeks, considerable confusion exists on the government's own benches as to what its position is on rent review.

12:10 p.m.

For the benefit of government members, I note in April their leader said quite plainly, "Under current conditions, rent review is here to stay." Now, given that the government has a Housing minister and is working on a housing policy for the purpose of ensuring that current conditions are not here to stay, the question may legitimately be asked, "Under what conditions would the government lift rent controls?"

If someone on that side could see his way clear to giving an answer to that question, it would go a long way towards reducing the level of uncertainty the government's various pronouncements and retractions have created in the marketplace. I do not see how the government can develop an integrated, long-term housing strategy until it addresses this pivotal issue.

While the government searches its soul on that matter, we will wait for the minister to fill us in on the details of these plans. The minister tells us he and his staff have been working late nights developing policy and programs. I suspect we will find, when these programs are announced, that they have been working late trying to repackage programs designed by the former government.

Another group the Treasurer managed to disappoint yesterday was those anticipating bold

new initiatives in child care. The government tells us that the budget provides for subsidized spaces to accommodate an additional 10,000 children, as promised by the Premier. What the budget does not tell us is that 7,500 of those spaces had already been approved by the former government; nor does it tell us of the other commitments to child care initiatives made by the Premier last April that somehow did not make it to the budget.

Six months ago, the Liberal Party had a 12-point day care policy. Now the Liberal government has a two-point day care policy. Again we see the difference between the Liberal Party campaigning and the Liberal Party governing. Nowhere in this budget have I been able to find any mention of the promise to double the child tax credit, to establish a \$6-million fund for working parents who do not qualify for subsidized rates or of the policy of contract compliance being linked to the provision of child care services.

I would also like to know what happened to the promise to provide a \$5-million fund for special care needs and flexible rural care programs. It appears to have been subsumed under the general program. All in all, the budget commitments to child care seem a long way from both the Liberal Party's own platform and from the spirit of the accord with the New Democratic Party, which calls for the recognition of child care as a basic public service. The budget commitments also do not compare favourably with the child care program of this party, which includes such measures as a \$10-million child care incentive fund, a \$7-million, three-year training access fund and a \$4-million rural care support fund.

Disillusionment with this budget is not limited to groups and individuals concerned with social needs. Groups and individuals who looked to this government to take action on the environmental, resources and community development fronts must also be searching for the reasons for this government's inaction on issues it had identified as priorities.

The Liberals have demonstrated a total disregard for our natural resources. They have not provided one new initiative or one new program, not even one new idea. This is not unusual or unexpected, at least by the members on this side of the House. We have known for some time that the Liberal Party is bereft of talent and ideas. For 40 years we have watched them steal most of their ideas and policies from the party to my left. It always seemed to me to be rather strange

strategy, but the approach served us rather well; it kept them in opposition.

However, after their failure once again to get enough candidates elected during the May election to form the government, they used this strategy to wheel and deal a bargain with the NDP. Now that they have managed to get themselves appointed as the government, they have found that the ideas and policies of the poor, forgotten party to my left are not good enough to keep them in the driver's seat. Instead, they have found they must now borrow from us. Any new idea, initiative or policy contained in the Treasurer's budget that is at all beneficial to the people of Ontario has been derived from the programs and policies we initiated as the government.

The Liberals have decided to give the Ministry of Natural Resources an additional \$3.7 million, once inflation is accounted for, in fiscal 1985-86. Some may applaud this move, but it pales in comparison to the additional funding my party committed in the speech from the throne. To provide for improved forest management and increased support for the sport fishery, we had indicated an additional \$20 million would be made available to this ministry.

The Premier was vehement in his calls for more money for forest management when he was in opposition. In fact, during the election he promised that, if elected, he would provide enough money to regenerate every acre of cutover land in the province, more money for research and development and forest renewal, and more money for forestry programs at community colleges.

None of these promises was provided for in the budget. I can only assume that the Premier does not feel compelled to honour those promises since he was appointed and not elected. The only commitment to forestry this government has come through on is the appointment of a provincial forest auditor. I suppose the next thing we will hear from this government is that it will wait for the auditor's report before making any monetary commitment. For a party that was so convinced Ontario's forests were being raped and plundered prior to June 17 of this year, it has certainly lost since then its enthusiasm to remedy the situation.

There is not one initiative in this year's budget to provide increased assistance for other areas within the realm and responsibility of the Minister of Natural Resources (Mr. Kerrio). There is no mention of provincial parks, sport fishery, commercial fishery, wildlife protection,

flood damage control and assistance, and water diversion. There is nothing. It is as if this ministry had vanished from the face of the earth.

Those who had hoped for more for our resources should not feel alone. The Liberals have also forgotten to do anything about the environment. Search as I might, I was unable to locate anywhere in the budget document the promised \$30-million environment protection fund. I was also unable to find the promised \$10-million fund for beach protection and sewage improvement projects. Nowhere could I find any extra money being allocated to help industries reduce their acid gas emissions.

The Liberals have even forgotten about their commitment to provide more money for the cleanup of the Great Lakes, as well as their professed great concern for the quality of our drinking water.

Mr. Sargent: Time.

Mr. McCague: When does the bus leave for Owen Sound?

Mr. Sargent: Pretty soon if the member keeps talking.

Mr. Andrewes: What is he doing here on Friday?

Mr. McCague: I will give the member a ride as far as Alliston.

I would like to remind the members that these were concerns which our party did not forget. In our throne speech, we pledged the following: \$100 million for an environment protection fund; \$20 million for a beach protection fund; funding for lake rehabilitation programs for lakes damaged by acid rain; increased fines for environmental offences; tighter control orders on Ontario Hydro and Inco emissions; the establishment of a shoreline protection task force, and increased funding for the establishment of a new investigations and enforcement branch in the Ministry of the Environment.

None the less, what I was able to find in this year's budget was a reduction of \$8 million in the money allocated annually for capital expenditures on environmental projects, as well as a \$21-million reduction in the amount of money available for loans for environmental projects. Correct me if I am wrong, but I cannot see how anyone can interpret these omissions and funding reductions by the Liberal government as a strongly demonstrated concern for the preservation and protection of the environment.

Hon. Mr. Nixon: Would the honourable member permit a question?

Mr. McCague: I thought the members opposite were the government.

Interjections.

The Deputy Speaker: Order. The member for Dufferin-Simcoe has the floor.

Mr. McCague: Yes. Would you please keep the Treasurer under control?

Again, I would console the anglers and hunters, the campers, the lovers of nature and the environmentalists by saying they are also joined by those who are concerned about our energy future. The Liberals seem to have forgotten all about their big plans to replace nuclear power with alternative, renewable forms of energy.

There is no new money provided in this budget for such an undertaking. When one accounts for inflation, the Liberals have actually reduced the amount of funding for the Ministry of Energy by \$1.2 million. Programs are going to suffer. In my opinion, the government just cannot knock off that amount of money from a ministry's budget and still expect the same level of service to the public.

12:20 p.m.

In addition, the Liberals have decided to conduct a review of the functions of the Ontario Energy Corp., with the intent of divesting some of its assets. I fail to understand how this will assist in improving Ontario's long-term energy strategy. It has always been my understanding that the Ontario Energy Corp. is a proven winner. Through its activities, the corporation has enhanced the supply of energy in Ontario by investing in energy technology, conservation, research, exploration, development and production throughout Canada.

As I previously alluded to, the Liberals have also conveniently forgotten about their promise to sell Suncor immediately. However, I am pleased to see they have taken our advice and have admitted this promise was a big mistake on their part. In fact, I was particularly pleased to see the Treasurer borrow a phrase directly from the leader of our party, the member for Muskoka (Mr. F. S. Miller), in this regard by saying the government will sell Suncor only when it becomes financially prudent to do so.

However, I was very distressed to learn that the Treasurer has seen fit to raise gasoline prices by 0.8 cents per litre or 3.6 cents per gallon. I can recall the member for London Centre travelling across the province last spring decrying what he imagined were proposals to raise taxes on gasoline. At that time, he assured the people of Ontario that the Liberal government would not

raise such taxes. It appears this was yet another promise to be broken.

Another group of Ontarians who have been forgotten by the new administration is the farming community. During the election campaign, the Liberals promised to spend one per cent of the tobacco tax revenues to develop new products and alternative crops to tobacco. The budget abandons this commitment and instead the government will spend money to pay farmers to get off the farm.

As you will recall, Mr. Speaker, the Minister of Agriculture and Food stated the tobacco growers would be pleasantly surprised by this budget. In my estimation, refusing farmers promised help and paying them to give up can hardly be called a pleasant surprise.

I am sure it will also come as a surprise to farmers, who are already financially hard hit, to see their taxes go up with the compliments of the Treasurer. The corporation income tax rate on income from farming is being increased by half a percentage point to 14.5 per cent, and personal income tax is to rise as well.

In short, there are no initiatives in the budget to give farmers what they really need: more markets and a better return.

The commitments made to a tripartite stabilization program by this government were actually made by the previous government. There is nothing in this budget to provide needed assistance for food processing and food storage, which are required to reduce our dependence on imports. There were programs in place for these initiatives until they were axed by the present government.

The Liberals have also failed to meet their election promise to establish an adequately funded program to address the ever-increasing problem of soil erosion. Similarly, the Liberals have not followed through on their pledge to double the agricultural budget to two per cent of expenditures, a pledge which, by the way, was made not only by the Liberal task force on rural municipalities in April 1985 but also by the Treasurer himself in September 1984.

Under the former Progressive Conservative government, \$58.25 million had been allocated to agriculture through the Board of Industrial Leadership and Development over a five-year period. By cancelling BILD, the Liberals are denying Ontario farmers an average annual investment of \$11.65 million. When we consider the fact that the Ontario family farm interest rate reduction had been announced by the previous government, which made this financial commit-

ment to tripartite stabilization, the budget adds only \$6 million in new programs, or roughly one half of the cancelled annual BILD money.

The Liberals have also forgotten all those who are dependent upon the tourism industry for their livelihood. Some may find it hard to believe that it would be possible to forget about a \$6.9-billion industry which accounts for more than 300,000 person-years of employment and six per cent of the gross provincial product annually, but it appears the Liberals have.

The government, in some higher form of reasoning known only to it, has decided to reduce the budget of the Ministry of Tourism and Recreation by \$13 million. When inflation is taken into account, this translates into a 12 per cent reduction. If a budget cut of \$1.2 million for the Ministry of Energy means a lower level of service to the public, I shudder to think what a \$13-million budget reduction will mean to the many worthwhile programs delivered by the Ministry of Tourism and Recreation. There are no new initiatives and no new moneys in this budget to stimulate any part of the tourism industry. The announced programs that will affect this industry will serve only to depress it.

The government's pledge to review and reduce expenditures on advertising will hardly help the tourism industry. Does the government expect tourism operators to use smoke signals to let potential clients know they exist? Also, I am sure the people in this industry are just overjoyed that the government has decided to raise the price of liquor, wine and beer.

Does the government really think the people from south of the border are going to be enticed? Not only will tourists have to pay more for their refreshments but they will also have to fork out more money just to travel within the province, thanks to the Treasurer's tax increases on motor vehicle and aviation fuels.

What has happened to the Liberal promise to eliminate the accommodation tax? It disappeared, I dare say, along with all the other promises, only to resurface during the next election.

In short, what this all means to the average tourist—that is if he can find us at all—is that once he gets here he can expect higher transportation costs, higher liquor prices and fewer services. I sure hope the Liberals do not try to rerun some of the old commercials in an effort to save money. In Peterson's Ontario the slogan "We Treat You Royally" seems rather inappropriate.

Last but certainly not least in a long list of those in Ontario who have been forgotten in this

budget are those who reside in the north. Contrary to the obvious belief of the members opposite, there is indeed life north of Orillia. However, to be generous, there is only one member in their ranks from that part of the province; so it may have been possible for them to overlook this fact.

In all seriousness, of all the people who have been forgotten by this government, it is the northerners for whom I have the greatest amount of sympathy. They were the ones who were promised the most and received the least. If I may quote my colleague the member for Kenora (Mr. Bernier), yesterday was undoubtedly a black day for northern Ontario.

In April 1985, the Liberals went to the north, carrying with them a 28-page document full of promises for the north. Most of the northern residents did not buy those promises. My colleague the member for Fort William (Mr. Hennessy) tells me it is because northerners know when something sounds too good to be true. They are industrious and down-to-earth people, and they realize you cannot get something for nothing.

The Liberals' efforts to woo the northern voters failed, and now as a result they have abandoned them completely. The new administration has signalled this by decreasing the funds available to the Ministry of Northern Affairs and Mines. Taking inflation into account, the ministry budget has been reduced by \$1.3 million.

The Liberals have also reduced the total amount of money available for northern development initiatives. They have tried to hide this by announcing a \$100-million, five-year program for northern development, or \$20 million per year, which on closer examination is substantially less than the commitment made by the former government.

The Progressive Conservative government committed itself to an expenditure of \$20 million per year for the northern Ontario regional development program alone. This Liberal program is to cover all expenditures on northern development, including Nordev and the mining development program.

The announced changes to small business development corporations for northern Ontario are simply a follow-through on our previous commitment. This is nothing new or anything like Liberal.

Similarly, the proposed changes in the Mining Tax Act are changes that we had reviewed and forwarded. The Liberals have brought in one idea of their own, however. Transfers to municipali-

ties by the ministry have been reduced by more than 50 per cent.

12:30 p.m.

Additionally, not only will those who live in the north receive less, but they can also expect to pay the government substantially more. All those who derive income from mining, fishing and logging will be paying 0.5 per cent more in taxes. The increased taxes on motor vehicle and aviation fuels will have a more serious impact because of the greater distances involved.

To add insult to injury, the Liberals have slapped a seven per cent tax on the Maple Leaf gold coin, to the detriment of northern gold mining communities.

The Liberals have failed to come through with any of their promises to the north, with the exception of one I will say more about in a minute.

Some of the more notable promises, which they have abandoned either permanently or temporarily, include a \$100 tax credit for every northern residence, increased funding levels for the Northern Ontario Development Corp., equalized milk and gasoline prices, seasonally adjusted hydro rates for northern Ontario, allocation of enough money to cover all the northern tile drainage needs, increased funding for northern schools, \$10 million for distant education services, increased funding for northern hospitals, increased funding for northern day care and increased funding for the Ontario Northland Transportation Commission.

The only promise the Liberals did deliver on was the commitment for subsidized travel for health care purposes. I congratulate them on that. In my estimation, the residents of northern Ontario are going to need this assistance because the Liberals have done little to improve the health care system in the north and have made sure it will cost more to travel to whatever facilities are there.

I suppose we cannot expect much from a minister who has not even got beyond knowing the name of his ministry. For the time being, there can be no doubt that the people of northern Ontario have been shortchanged and forgotten by the government.

I have been able to touch on just a few of the reasons this government's first budget has proved to be a disappointment to so many of the citizens of this province. I have not discussed the deficiencies of the budget with regard to the problems of family violence, poverty and assistance for the physically and mentally handicapped, nor have I addressed the shell game

being played with the funding for youth employment programs. No doubt these issues will be addressed by members of all parties in the course of this debate.

I have said throughout that while I was disappointed but not surprised by much of what was in the budget, there were some things that were not in the budget whose omission did surprise me.

Members may have noticed there is not a single word in the budget about Ontario Hydro and its borrowing practices. I found that surprising, given the penchant of the members opposite for claiming that Ontario Hydro is out of control and its borrowing practices are a threat to the financial future of the province. Were that the case, I would have thought this budget would have introduced strong measures to bring the utility under control.

I believe I now know why these measures may not have been included in the budget. No doubt all members have read that Michael Warren, formerly of Canada Post Corp. and a gentleman with solid ties to the party opposite, is in line for the job of president of Ontario Hydro. The government may believe that with a good Liberal in place the utility will behave in a manner it will find unobjectionable. If Mr. Warren does get the job I hope he will not do for Ontario Hydro what he did for Canada Post. If he does, he will probably turn on the switch and get the power a few hours later.

I was amazed that this first Liberal budget did not address the issue of Hydro borrowing, and I noted with some regret that the Treasurer did not choose to implement his Hydro bonds idea, which I discussed with him in debate on interim supply.

Something else that surprised me was a statement on the first page: "We are developing a fresh, comprehensive approach to industrial policy." I must confess I saw no evidence of this approach in the budget itself, unless one calls doing nothing to assist the two most growth-oriented sectors of our economy, the export sector and the small business sector, a fresh approach to industrial strategy. It would certainly be a unique approach and one that this government appears determined to pursue.

While the government has moved to reduce the record-keeping and compliance costs to small business, the \$100-million tax credit program for small businesses has apparently suffered the same fate as the environmental superfund. There is nothing in the budget to encourage more of our

domestic producers to explore export market opportunities.

While the suggestion that the province might open an office in Washington is welcome, particularly during the period leading up to negotiations on free trade, the wisdom of closing offices in a market that accounts for 90 per cent of our exports must be questioned.

It is also perplexing that any industrial strategy in this day and age, or any budget in a modern industrial jurisdiction like Ontario, would not provide measures to encourage technological development and diffusion. Yet there is nothing in the budget that will help our firms adapt and compete effectively in an environment in which productivity improvement related to the use of our best available technologies is the only factor that enables high-wage industrial economies to compete with low-wage developing economies in traditional manufacturing fields.

In addition, I am not sure how much confidence I would have in any industrial strategy that will produce a growth rate of only 2.4 per cent next year, down from 4.5 per cent this year and 6.5 per cent last year. Given the low-growth projection for 1986 presented in the budget, one certainly cannot accuse the Treasurer of being overly optimistic about the impact of his budget on our economic performance.

I was also surprised to learn from the budget that, in practical terms, Ontario's triple-A credit rating "has little significance." I would have thought that \$300 million in increased debt charges, which is the approximate cost the province would incur during the term of its debt if the credit rating were downgraded to double-A-plus, is a matter of considerable significance.

In addition, contrary to what the budget suggests, the triple-A rating, in so far as it helps attract investment and minimizes borrowing costs, does help to provide jobs, housing and health care. Surely the members opposite are not so obtuse as to fail to recognize that the more money one spends on public debt interest charges, the less money there is available for investment in housing and health care programs.

We will have to wait and see what effect the budget will have on the credit rating. We will have to wait and see whether the budget finishes the job started by the Treasurer's economic statement of July, which resulted in placing the province on a credit watch with negative implications.

This is a disappointing budget. While it taxes many things, it taxes nothing more than the credibility of this administration. It is a budget

without vision. It is a budget without any clear sense of direction, without unity and largely without significance. It is a budget of half-measures and half-kept promises. It is a stand-pat budget that contains no new and innovative policies or programs and no real commitment to enhancing economic growth or improving social equity.

This budget shows the government to be not compassionate and competent, as it likes to advertise, but indifferent and uncertain. It is indifferent to the aspirations of our people and regions and uncertain about how it might best exercise the authority it so tenuously holds.

As a party committed to growth, to equality of opportunity, to fiscal responsibility and to a genuine partnership of the people of this province, we cannot express confidence in the budgetary policies of this government. Therefore, I have a motion.

12:40 p.m.

The Deputy Speaker: Mr. McCague moves, seconded by Mr. Gregory, that the motion that this House approves in general the budgetary policy of the government be amended by deleting the words following "that" and adding thereto the following:

"This House, recognizing that the 1985 budget fails to provide the policies and programs needed to sustain employment, economic growth, and enhance social equity, condemns the government for:

"Irresponsibly increasing the deficit and jeopardizing the financial stability of the province;

"Its failure to meet the needs of 386,000 unemployed people in Ontario;

"Abandoning the people of northern Ontario by failing to provide for adequate funding for development of the north;

"Ignoring the plight of farmers throughout the province;

"Its failure to respond to the needs and interests of the women of Ontario;

"Its failure to provide for the preservation and enhancement of our environment and resources;

"Inadequate support for homemakers and home care programs for the seniors of Ontario at a time when the demand for these programs is increasing;

"Worsening the situation of our tourism industry by reducing financial assistance and increasing taxes;

"Exorbitant tax increases which will further reduce the spending power of Ontario consumers while offering no visible benefit;

"Its failure to provide assistance in the form of food banks, emergency shelters for those of our citizens who fall through the social safety net;

"Its failure to guarantee accessibility to the health care system by enhancing the Ontario health insurance plan premium assistance programs;

"Neglecting the need for a comprehensive and coherent economic and industrial strategy to generate new growth, employment and wealth in an increasingly competitive and complex international marketplace;

"Therefore this government lacks the confidence of this House."

On motion by Mr. Foulds, the debate was adjourned.

Hon. Mr. Nixon: Order 31 is also listed on the daily Orders and Notices, calling for a resumption of the adjourned debate on redistribution. I am not at all sure the members who had indicated they wanted to take part are present.

Mr. Cordiano: Yes.

Hon. Mr. Nixon: Oh, good. Since there is at least one member who would like to speak on that and I am quite anxious to draw that debate to a close as soon as possible, with your permission, Mr. Speaker, I would like to call order 31.

ELECTORAL DISTRICTS REDISTRIBUTION

Resuming the adjourned debate on the motion for consideration of objections to the report upon the redistribution of Ontario into electoral districts.

Mr. Offer: I am pleased to join in the resumption of this debate on redistribution today.

The redistribution of electoral boundaries is an exercise of paramount importance. It is an exercise which attempts to recognize areas of increasing or decreasing population and areas of shifting population. It is my sense that the exercise of redistribution gives truer meaning to the phrase "representation by population."

I would like to commend the commission on its task. It toiled many hours in attempting to fulfil its objective. However, I respectfully request that consideration be given to my motion on the report of the Ontario Electoral Boundaries Commission respecting the electoral district of what is now the riding of Mississauga North.

As previously stated, the basic objection is found in this motion. However, I would like to take a few moments to expand on three grounds upon which I base this objection.

First, I have had occasion to review the findings of the commission and note that the

proposed electoral districts across the province are 130 in number, being the maximum allowed by the Legislative Assembly's resolution. I find this wording very curious in that it does not state that the province properly requires 130 electoral districts, but rather that if 130 electoral districts were available, this is, in the commission's opinion, the best allocation.

I ask that this neat point be kept in mind because it appears that the commission has initiated its investigation on an erroneous footing. It appears that if we are to give full effect to population shifts, increases and decreases, then it is incumbent upon the commission to have a free hand in setting the proper number of electoral districts based on the population demands of the day.

Second, it is important to keep in mind that the question of population is one that is of only secondary importance to the commission, and only to be applied following consideration of issues or questions of primary importance, such as community or diversity of interests, the significance of inter-riding communication or the influence of existing major roadways and the like.

The commission has based its findings on a population of 315,056 for the city of Mississauga. The commission goes on to say it adopts the same division of Mississauga as that chosen by the federal Electoral Boundaries Commission for Ontario in its report to the House of Commons on May 24, 1983. This gives a population distribution for the proposed district of Mississauga Centre of 77,389, for the proposed district of Mississauga East of 80,796, for the proposed district of Mississauga South of 80,692, and for the proposed district of Mississauga West of 76,179.

I strenuously object to this finding on the grounds that the commission has chosen to adopt the same division of the city of Mississauga as that chosen for the province by the federal Electoral Boundaries Commission. I suggest this demonstrates the commission has deferred its decision-making process with respect to that which is now in Mississauga to the federal commission, which I believe is not within its mandate and evidences a complete ignoring of the parameters of its responsibility to the geographical, political and demographic factors that now exist within the city.

The commission has ignored the fact that Mississauga is experiencing a growth rate of some 20,000 residents per year and is one of the fastest growing areas not only in Ontario but in

Canada. It ignores the fact that the population of Mississauga will in the near future reach the 500,000 level before any tapering off of population increase will occur. It is evident that even before the proposed electoral districts could be legislated into existence, the electoral districts proposed in Mississauga would be above the accepted tolerance levels.

My third objection to the commission's finding has to do with the inclusion of the town of Malton in the proposed electoral district of Mississauga East. It is necessary to realize that geographically the town of Malton is separate and distinct from the rest of the city of Mississauga. Because of its very peculiar proximity to Lester B. Pearson International Airport and the major highways, this geographical problem can never be altered. There will always be that distinction for the town of Malton. It is not a matter of two, three, four or five polls. The town, with approximately 60 polls, must be looked at in its entirety. To do anything other than that is to do a disservice to that area.

However, given the fact the geographical problem can never be altered, it is necessary to realize that the people of Malton, numbering some 34,000, have always had a linkage to the residents and communities comprising what is now the electoral district of Mississauga North. This is true not only from a historic and political view, but also from a community standpoint.

In my view, it would be injurious to the residents of Malton, geographically and on a community or political orientation basis, to include them after so many years in what is proposed as the electoral district of Mississauga East. I have had much discussion with persons in the Malton area and what I say today echoes their feelings and thoughts on this proposed electoral change.

In conclusion, I strongly object to the proposed boundaries for the electoral district of Mississauga, the transfer of the town of Malton into the totally distinct electoral district of the proposed Mississauga East, and to the grounds upon which the commission has based its findings for the totality of Mississauga.

Mr. Haggerty: I want to add a few comments to the commission's recommendations in regards to boundary changes for electoral districts in Ontario, and particularly the area I have had the opportunity to represent for the past 18 years.

I have seen two sets of boundary changes proposed. One was in 1975 and I appeared before the commission then, raising my objections. At that time the riding was named Welland South

and included the township of Pelham and parts of Dane City, which are now in the Welland-Thorold riding.

This time the commission has suggested changes should be made and Erie riding should include the town of Dunnville. That would mean the riding in the Niagara region would be 65 miles long. In the second proposal they included the town of Dunnville, which also included four former townships, Gainsborough, Dunn, Moulton and Sherbrooke. That enlarged area that would have been included in the Erie riding would consist of some 3,200 householders.

My objections to this proposal at the hearing held on April 18 in St. Catharines was that the commission had neglected to take in 3,500 householders in the present Erie riding. Those front the lake along the shoreline of Lake Erie. There are a number of Americans who own large homes along the lakeshore. There are also a number of residents in the area, landed immigrants who may not be considered under the census as part of the population. I am sure the Americans who own the homes along the lakeshore are not considered population.

That is an area I feel the commission has overlooked. It should take into consideration all of that lakefront property because those people who live along the lakeshore are great contributors to the local municipal tax base. They require little in education costs. It is a good source of revenue for those municipalities, but they require police services, fire protection, hospitals and all the other amenities of life.

To perhaps compensate for that loss of some 14,000 people in the former riding of Welland South when those boundary changes came about, it made another provincial riding in West Lincoln. I put the arguments forward at that time saying: "Let us put Pelham township back into the Erie riding. Let us put part of the 2,000 people who live in Dane City back into the Erie riding. It would meet the quota that is required of a population factor of between 60,000 and 70,000."

At that time, the chairman of the commission said to me, "We are not here to divide municipalities." One could accept that, but then the revisions and changes came back. Then the Erie riding Liberal association put forward another proposal that said, "Why not go east and take in part of the city of Niagara Falls?" Lo and behold, the commission took that suggestion.

Speaking last week on this issue, I think the member for Leeds (Mr. Runciman) brought out some valid points. His points were that when the

boundary changes are made by the commission, consideration should be given not only to the population but also to the size of the riding. The Erie riding will be taking in the old township of Willoughby and part of the township of Crowland. That is going to split municipal boundaries.

Without being offensive to my colleague the member for Niagara Falls (Mr. Kerrio), to draw a parallel, that means he will have a riding of about nine square miles while Erie riding will be about 40 miles long and about 14 miles wide; and it will have the numbers, there is no doubt about it.

I must indicate there is an extra work load involved for a member to represent this area, taking in another municipality. I think the member for Leeds brought this out, saying it is great to have a condensed riding. One has to compare the work load because of the large area or land mass the person has to look after. I suggest that consideration should be given to that in the thoughts of changing the riding redistributions.

There are other things about a large riding that cause some adverse effects to a member. I sympathize about the work load of some members who have a riding that may bring in 22 or 30 small municipalities. The commission should take into account that the new process in Ontario means there is a greater work load for

members today than there was 18 years ago. One of the reasons is the government is running more committees of the Legislature that take the government back out into the communities. I think this is the right direction to go, but it does take considerable time.

I have objected to that. I hope the commission will take another look at my objections to it. I think the Erie riding should remain as it is because it is my own personal view as a member who has represented that area for some 18 years that taking on another municipality will add a further work load to that person. I think this is what the commission has to take a look at.

Mr. Speaker: Perhaps the honourable member could find an appropriate time to adjourn the debate.

Mr. Haggerty: How about Monday night?

I want to end with that. The commission should take a look at that, and because of the condensed area of population and the larger area, that factor of the 25 per cent in population, up or down, should be given perhaps more of a weighting factor before changes are made.

On motion by Hon. Mr. Nixon, the debate was adjourned.

The House adjourned at 1 p.m.

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Hansard

Official Report of Debates

Legislative Assembly of Ontario

First Session, 33rd Parliament
Monday, October 28, 1985

Speaker: Honourable H. A. Edighoffer
Clerk of the House: R. G. Lewis, QC



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LEGISLATIVE ASSEMBLY OF ONTARIO

Monday, October 28, 1985

The House met at 2 p.m.

Prayers.

BUDGET

Mr. Cousens: On a point of privilege, Mr. Speaker: On this historic day, October 28, 1985, the fourth day after the "Richard Nixon" budget, I would like to donate part of a \$1 lunch to the Treasurer (Mr. Nixon). This was for 90 cents, not what one would say is in keeping with a balanced diet for any of our seniors, any of our youth or anyone else in the province; but I am going to be generous in his ungenerous, underfunded, undesirable gift to the people of this province.

Mr. Speaker: Order. I am sure the Treasurer will be able to handle that all right.

ROYAL ASSENT

Mr. Speaker: If I could have the attention of all members, I beg to inform the House that the Honourable the Lieutenant Governor has been pleased to assent to a certain bill in his chambers.

Assistant Clerk: The following is the title of the bill to which His Honour has assented:

Bill 38, An Act to amend the Municipal Elections Act.

BOARD OF INTERNAL ECONOMY

Mr. Speaker: I beg to inform the House that I have laid upon the table a copy of an order in council appointing the member for Bellwoods (Mr. McClellan) as commissioner to the Board of Internal Economy in place of the member for Sudbury East (Mr. Martel).

POLLS

Hon. Mr. Nixon: Mr. Speaker, with your permission may I table another poll, dated August 1984, for the edification of the members and press gallery? I hope there are not very many more of these, but they seem to be coming to my attention on a regular basis.

STATEMENTS BY THE MINISTRY

DEERHURST INN

Hon. Mr. Eakins: It gives me pleasure to rise today to announce the results of this govern-

ment's review of the Deerhurst agreement. The agreement was between the Ontario and federal governments and Deerhurst Resort Ltd. for expansion of the Deerhurst Inn, Muskoka.

This agreement, which was announced on June 14, 1985, outside this House by the former government, was not acceptable to this government. As a consequence, my ministry and the Ontario Development Corp. were authorized by cabinet to negotiate with the other parties to seek a resolution that better reflects the interests of the taxpayers of this province. We did so within the framework of the Canada-Ontario tourism subsidiary agreement, which this government supports strongly and does not wish to jeopardize.

I am now pleased to report that a revised agreement satisfactory to all parties has been signed. The principal change is that the entire \$5-million provincial contribution will now be a fully repayable loan with no grant. The \$5-million federal contribution will also be subject to the same condition. I can also confirm that the recreation and sports facilities involved in this expansion will be fully available for use by the public.

In signing this agreement, my colleagues and I are mindful of the considerable economic benefit to the local economy. The expansion will create more than 350 permanent jobs and more than 1,000 construction-years of work will also be created.

I also wish to emphasize the importance of the Canada-Ontario subsidiary agreement. We wish to continue in partnership with the government of Canada to play our part in its implementation. This subagreement will provide considerable benefits to the province and will help to revitalize our tourist industry. However, in reviewing the Deerhurst agreement, we wanted a better deal for the taxpayers than the one negotiated by the previous government, and this has now been realized.

SPILLS BILL

Hon. Mr. Bradley: Just four months ago, nine days after this government came into being, I announced the immediate proclamation of part IX of the Environmental Protection Act. It comes into force November 29.

I appointed a special review panel to receive submissions and make recommendations on the implementing regulation. That panel's hearings across Ontario brought the apprehensions and concerns of industry into the open where they have been dealt with in a positive and constructive way.

Representatives of industry, small business and farmers' groups want to be sure this legislation does not result in unbearable costs. At the same time, it is clear a substantial body of public opinion wants the extra protection this legislation will provide.

The single most frequent concern expressed by opponents of this legislation is that insurance companies just will not underwrite the risks involved in insuring farmers, industry, haulers and businesses. Today, with great pleasure, I can put that fear to rest.

My special adviser, Allan O'Donnell, QC, has been working closely with the insurance industry in this province. Insurance coverage will be available, provided by a pool of insurance companies licensed to do business in Ontario, well before November 29, when part IX and the new regulation will come into effect.

I commend these insurers and reinsurers. They responded positively and responsibly to the needs of Ontarians when pollution coverage was not generally available. These astute business people saw through the initial fears that often accompany new situations and recognized the spills bill as a workable system to which they could comfortably adapt.

This pool of insurance companies will provide coverage of up to \$1 million for all claims from any one spill, with an aggregate limit of \$2 million in claims per policy in a single year.

Let us look at this coverage in terms of spills liabilities actually incurred. My ministry added up the total costs involved in 56 spills reported to us in 1983. All of them were sudden and accidental, had offsite effects and were not traffic-related. Actual cleanup expenditures ranged from \$100 to \$175,000, obviously well within the range of the new insurance being provided and well within the vehicle insurance normally carried by Ontario motorists. In addition, the pool insurance will cover the other liabilities imposed by the act.

2:10 p.m.

There is one basic point in the public debate on this legislation that keeps getting muddled. If one is responsible for a spill that causes damage to another's property, then under common law one is already liable for those damages. The spills bill

recognizes that the public has an interest in prompt, thorough cleanups of spills. In effect, the spills bill regulation will limit liability over the available insurance levels by providing that the government will take on a great portion of further liability.

In discussion of the spills bill there has been a great amount of talk about the most unlikely situations. I will spare members repetition of these stories about the collision between the intoxicated, uninsured, impecunious terrorist and the farmer's daughter's pickup truck—stories generally concocted by city slickers, I might add.

Suffice it to say that people seeking to benefit by the production, handling or use of potential pollutants should take care with the substance, should obtain appropriate insurance and should hire only reputable, insured haulers. These simple rules will keep the farmer and the businessman safe from catastrophic loss under the spills bill. The new regulation clarifies responsibilities, encourages early and effective response to emergencies and provides a mechanism for government interim compensation until responsibility can be established.

For the motorist or for the waste hauler, the new insurance pool provides no additional protection, and none is required. Standard vehicle insurance policies already include accidental pollution risks. If a truck spills its cargo, then the insurer of the truck must respond to the cleanup and restoration costs and to claims for loss or damages.

Similarly, farmers who have placed their insurance with the 51 farm mutuals in Ontario are now covered for accidental pollution claims and have enjoyed that protection for years. The farm mutuals will be able to insure their sudden and accidental insurance risk with the insurance pool. Unlike others who need \$1 million insurance, farmers' spills liability is limited to \$500,000. Farmers served by other insurers can check with their agent to ensure their farm policy provides adequate protection.

For the business community, the new pool is a definite benefit. Because of the pattern of worldwide pollution insurance claims, reinsurance in the international insurance market will not likely be generally available. New comprehensive general policies for business will not likely provide pollution damage coverage. The new pool of insurers are providing that protection for sudden and accidental spills, and it will be available through the businessman's broker or agent.

Obviously, there will be a cost. Farm and auto insurance premiums are expected to rise this year because of escalating claims settlements having nothing to do with the spills bill. In addition, the cost of sudden and accidental pollution coverage under the new pool will be clearly identified in the premium quoted by the pool.

There is no free ride. People whose business creates risk, whether they are truckers, farmers or businessmen, should be expected to bear the costs that result from their activities. This applies to pollution risks, as it does to all others. Insurance is the best way to underwrite these costs and spread the risk evenly, and insurance will be available.

ORAL QUESTIONS

AD VALOREM TAX

Mr. Harris: I have a question for the Treasurer concerning his party's recent betrayal of the people of Ontario. A key issue in the Treasurer's objection to the last provincial budget was the tax of eight cents a litre on gasoline. The feature issue that the Treasurer raised in his comments to this Legislature on October 9, 1984, was his concern for the Ontario taxpayer who was burdened by that unfair tax.

Can the Treasurer explain to us what happened to make a then unfair tax of eight cents a litre now fair, equitable and all of a sudden right for the people of Ontario at 8.8 cents a litre?

Hon. Mr. Nixon: The thing that happened is that we removed the ad valorem aspect of the tax, which was established at 20 per cent no matter what the price was. Every time there was a federal increase, the Treasury of Ontario got windfall revenues. The big change proposed in this particular budget is that the ad valorem concept in this tax be abolished and that a specific tax approved by the Legislature be substituted.

I have put in the budget and in the bill before the House a level of 8.8 cents per litre. The member who posed the question knows the present tax is about 8.2 cents per litre for leaded gas and about 8.4 cents per litre for standard, unleaded gas. The proposal is 0.4 cents a litre more and is estimated to cost an additional \$8 a year for the average driver. This may not be the cost for the person who commutes to Sudbury from Sault Ste. Marie, but it is for the average commuting distance in Ontario.

We think there is an advantage to the removal of the ad valorem, which puts the power back in the Legislature where it should be. While the increase is significant, it is not untoward, and we

believe it is supportable by any objective observer.

Mr. Harris: What really concerns me about the whole budget and this tax is that I have to ask myself whose budget it is. It concerns me because it sounds a lot like the Trudeau-MacEachen budget of 1981 with higher deficits and taxes, more money for the government and less money for the people. In 1981, it led to higher unemployment and inflation, disasters for business and for farmers and loss of jobs.

Given that the Treasurer's budget appears to move in the same direction, did those architects of the Trudeau years, who obviously are the same architects of the Treasurer's budget, explain to him, and will he explain to us, how this philosophy, which was so disastrous for the country in 1981, is now good for Ontario in 1985?

Hon. Mr. Nixon: The budget that has some parallel application here, as I recall, is the budget of the member for Muskoka (Mr. F. S. Miller) in 1980, 1981 or 1982, where the substantial increase in revenue—by far larger than the one announced by myself last Thursday, which I hope will be supported by the Legislature—was in a position to lead the province into a recession. We had the most substantial recession we have experienced in 40 years. When we are talking about revenue increases, it is only fair to consider how the money is to be spent.

In this instance, we have targeted the expenditure on jobs for young people, already announced by the Minister of Skills Development (Mr. Sorbara); programs for farmers, already announced by the Minister of Agriculture and Food (Mr. Riddell); and a whole new approach to invigorating the north, already announced by the vigorous Minister of Northern Affairs and Mines (Mr. Fontaine).

My point is that rather than compare it with the MacEachen budget of 1980-81, which removed a number of loopholes and which did not survive the onslaught of the opposition, this one has revenue increases smaller than those brought in by the then Conservative government in those years. The increases in revenues are directly targeted on new programs that were voted for and supported by the people of Ontario in the election that the member must remember clearly.

Mr. Rae: The MacEachen budget led to many things. Perhaps worst of all it led to Brian Mulroney.

I would like to say to the Treasurer, while he is chuckling away, that on April 8, 1985, the fellow sitting next to him issued a statement. There was

an election campaign under way. "Who is Standing up for Ontario and St. Catharines?" is the title of the press release. The second-last paragraph says: "This does not have to happen. A Liberal government in Ontario would freeze the gasoline tax, abolish the automatic ad valorem tax grab and fight tooth and nail against consumer gas taxes implemented by the federal Conservatives." What happened to the Treasurer's teeth and nails?

2:20 p.m.

Hon. Mr. Nixon: We are dead against those federal taxes, and we will continue to fight tooth and nail against them.

The tax was frozen from, I believe, August or September of 1984 until the present time. The frost has not changed. What we are suggesting is what we consider to be a progressive move, one advocated by the Liberal opposition for many years, and that is the removal of the ad valorem concept in this particular tax. We are replacing it with what we consider to be a very reasonable approach to revenue raising that goes, at least in some small measure, to paying for the new programs that we on our initiative have put before the Legislature and that we understand the New Democratic Party supports in some measure.

Mr. Harris: The Treasurer will understand that this budget does not reflect the member for Brant-Oxford-Norfolk (Mr. Nixon) that I used to know.

Interjections.

Mr. Speaker: Order.

Mr. Harris: It is not the member for Brant-Oxford-Norfolk who was "concerned about the fellows that sit around the gas stove at Earl's Shell Service Station in St. George, who have been right at least as often in their view of the financial future, as they think they are facing a very difficult winter and a very difficult spring." I do not think it is the member for Brant-Oxford-Norfolk whom those people knew. It is not the member for Brant-Oxford-Norfolk who was concerned about eight cents a litre on gas.

Mr. Speaker: Question?

Mr. Harris: It is not the member for Brant-Oxford-Norfolk who wanted to double the agricultural budget.

Why is the Treasurer allowing the Premier (Mr. Peterson) and his advisers, the same advisers who led this country into ruin, to destroy the real member for Brant-Oxford-Norfolk on his very first budget to the people of Ontario?

Interjections.

Mr. Speaker: Order. I know members want to find out whether he still sits around that stove.

Hon. Mr. Nixon: Mr. Speaker, I know you will be interested to know that I personally consulted the boys at Earl's Shell Service Station, and it would not be unfair to paraphrase their response as, "You did a good job, Bob."

While the member for Nipissing may think it is "No more Mr. Nice Guy," I can assure him that I am thinking of the welfare and progress of the working people in Ontario, including the good old boys at Earl's, who work very hard for their income. Many of them are out in the fields even now, running the combines in the fields of grain; and they are concerned about the inadequate pricing for soybeans and corn. My colleague the Minister of Agriculture and Food is concerned as well; he has expressed that concern by bringing forward positive program alternatives.

I can assure the honourable member that all the revenue decisions that concern him so much were difficult to put before the House, but in my opinion they form a framework of fiscal responsibility without which we cannot move forward with the program the province needs.

We have to undo some of the damage that was done to our school boards, our colleges, our universities, our hospitals and our municipalities. We have done that by making what we consider to be a fair and equitable commitment of dollars, and that has to be bolstered and paid for by tax increases. I wish it were not so, but I am simply putting it to the member as it is.

[Later]

Mr. Rae: I want to go back to the gasoline tax. I quoted from one statement made on April 8, but here is another one, made on April 19 and entitled "Miller Hides while Ontario being Gouged on Gas Prices." It says:

"A Liberal government would vigorously oppose increased consumer taxes and higher gasoline prices without offsetting concessions to Ontario consumers." That is a direct quote. It then goes on to say, "A Liberal government would freeze the provincial gas tax at its current level (about eight cents per litre) and shift it back from an ad valorem to a fixed-rate basis." That is the election campaign commitment made to the people.

I assume the Treasurer was running on the same platform at that time, on the same ticket. A commitment was made in April and was renewed in May in the accord, when the leader of the Liberal Party said he would continue the freeze on the ad valorem. Why did the Treasurer take

the very first opportunity in his very first budget to break the commitment he has been making to the Ontario people for so long with respect to gas prices?

Hon. Mr. Nixon: The honourable member read the comment, which I guess is a quote from the then Leader of the Opposition, now the Premier. It calls for offsetting commitments. It accounts for why the Minister of Energy (Mr. Kerrio) is taking a strong stand as far as natural gas pricing is concerned, and it accounts for why in the budget, and along with my colleagues we have announced an array of new programs which we feel are beneficial to the province and which have to be paid for by tax increases.

We felt it was fair and judicious to spread these increases in a justifiable way across the public, including the consuming public. While these increases are significant, we feel they are not so large that any rational and objective person who wants the new programs could possibly oppose them.

Mr. Rae: If the Treasurer wants to have me certified as a rational person, I am prepared to go through any test he wants. I think there are a lot of other people in Ontario who are as fiscally responsible as the Treasurer is, and we intend to show how.

Since the Treasurer repeated the canard today about the \$8 figure, which he snatched out of the air, and before he goes off potentially irrationally and fiscally irresponsibly in answer to this question, why is it that in the same press release Mr. Peterson—as he then was, before we had to call him by his title—said an average Ontario motorist driving 24,000 kilometres per year would pay an additional \$141 annually as a result of the federal change? Is the Treasurer still using the 24,000-kilometre figure as what an average motorist in Ontario drives, or is he inventing some other figure to prove his figures here?

Hon. Mr. Nixon: This is not a canard, base or otherwise. The \$8 figure comes from the surveys and responses of the officials of the Treasury itself.

Mr. McClellan: Who does the Treasurer believe? Them or the Premier?

Hon. Mr. Nixon: They are both right; I have found them both reliable in all circumstances. Since the member is once again expressing his concerns about this matter, which almost sounds as if he is nailing his hanky to the flagpole, I will be delighted to give him the research done by my officials. I have found they are very reliable in

these matters, and I certainly respond to their advice in almost every respect.

Mr. Harris: I might say to my new-found friends to my left, we welcome them to the opposition and look forward to their joining in our opposition to this proposed tax hike.

Mr. Speaker: Supplementary question.

Mr. Harris: As long as we are into quotes today, as the leader of the third party has been doing, here is another one: "As a matter of fact, eight cents per litre is bigger than the federal government's grab from petroleum and almost as big as that of the government of Alberta." That is how appalling eight cents was to the real member for Brant-Oxford-Norfolk, the member for Brant-Oxford-Norfolk that I and the people of Ontario used to know.

Why is the Treasurer doing away with the ad valorem and jumping the tax to an all-time high in Ontario? Is he doing this now because most people expect the price of gasoline to go down and he wants to fix the tax on gasoline at the highest possible level and to keep it there even if gas prices go down?

Hon. Mr. Nixon: Mr. Speaker, I would not say the honourable member is attributing motives particularly, but in response to his question, I want to point out something that you will be familiar with because you are one of the few people who listened to my speeches when I made them the first time rather than grubbing around in old Hansards night after night, the way these guys are.

You will recall I was unalterably opposed to the concept of ad valorem taxes when it was trotted out by the member for Muskoka back in the 1980s as a means of increasing the revenues of the province by the largest single grab in our history. Members will remember what he did to the sales tax, the tobacco tax and the gasoline tax.

As a responsible opposition, we were opposed to the ad valorem concept. Now, as a government, we are removing the ad valorem tax. Once again we call upon all reasonable and objective observers to support us in our efforts to bring Ontario's tax system into a fair and equitable position, supportable by all.

2:40 p.m.

Mr. Rae: I am sure all reasonable and objective observers will do that very thing and will expect the government of this province to live up to commitments it has made to the people and commitments it has signed.

In that regard, the Liberal Party said it would oppose increased taxes on gasoline prices with-

out offsetting concessions to Ontario consumers. Can the Treasurer explain why in 1984-85 the tax credits listed in the budget amounted to \$289 million and in this fiscal year they amount to \$275 million; that is to say, \$14 million less even before adjusting for inflation? In 1975, tax credits represented five per cent of total budget revenue. Now they are down to one per cent.

If the Treasurer is going to effect the kind of tax increase that is represented by the gasoline tax—which is not progressive and he knows it—he has an obligation to bring in some tax concessions, he has an obligation to enrich the tax credit program. Why did he not choose to do that in order to make those changes progressive?

Hon. Mr. Nixon: The honourable member speaks of concessions. I know he has mentioned the tax credits a number of times and I think that is an important alternative. But we chose to take sales tax off certain areas of importance, such as \$1 meals and feminine hygiene matters. We have taken the tax off babies' car seats. Where does the member stand on that, may I ask?

We have stated clearly that if the tax were to go up on the one hand, it would have concessions for the consuming public on the other, and I submit to the member that we have done so to the best of our ability.

NATURAL GAS PRICING

Mr. Andrewes: My question is to the Minister of Energy with respect to his statement of last Friday on natural gas prices. The minister in his statement claimed that natural gas prices should fall by approximately \$1 per MCF, or 1,000 cubic feet. Can he tell us the basis upon which he is formulating his argument with the government of Canada, with the governments of the producing provinces and with the natural gas producers? Is that argument cost-based or market-based, or is it simply political statesmanship that he seeks?

Hon. Mr. Kerrio: The main thrust of the statement did not have to do with going at the prices. The main thrust of the statement—and I will repeat it, because it is very important to all members of the Legislature—is that, in the order of things, this resource belongs to the province where it is produced. The minute a province goes to export it, the federal government takes it into its jurisdiction. Immediately that happens, I have a strong feeling the interest of our great nation becomes involved.

I felt we should very properly have a full place at the bargaining table, and we have not had that. Much of what the honourable member reads has to do with things on which I have had to do some

speculating, and I had to rely on other areas for my information. I still think that when a government puts the loyalty of the Canadian people secondary to the interest of a single province, it does not augur well for the rest of us.

We are going to need the member's help with the Conservative government in Ottawa to put on the kind of pressure needed to maintain jobs and the viability of the manufacturing sector in this great province and to see, very properly, that gas is delivered to the average consumer in this province as cheaply as or more cheaply than it is delivered to users in the United States. That is a very fair position, and I am looking for the member's support to attain it.

Mr. Andrewes: I want to assure the minister he will have all my support. Whatever role he wishes me to play in taking that statesmanship argument to Ottawa, I will be delighted to do it on on his government's behalf at any time.

I want to refer again to the minister's statement. On page 5 he says boldly that the natural gas pricing agreement is a bad deal for natural gas consumers across Canada. How does the minister have the unmitigated gall to make that kind of statement when the ink is hardly dry on the Treasurer's (Mr. Nixon's) budget? In that budget the government has increased the cost of gasoline to consumers right across the province and picked the pockets of businesses and individuals on whose behalf the minister says he is making these arguments to his federal colleagues.

Mr. Speaker: Order. The question has been asked.

Mr. Andrewes: How does the minister think he will have any credibility at that bargaining table when he approaches the federal government?

Hon. Mr. Kerrio: This government, under the leadership of the Premier (Mr. Peterson), is going to make a lot better argument on this issue than the former Tory provincial government made to the Tory government in Ottawa about oil pricing. They sold us down the river. They were quiet and said nothing. They took what they and the federal government decided between them was in the best interests of the people of Ontario and sold the people very short.

That is not going to happen on the gas prices. We are going to put our argument in a fair way, and we are going to need the help of every member of this Legislature. That is worth defending for the people of Ontario. I hope not too many people are going to be drilling holes from inside the boat.

Mr. Rae: I know the minister would not want to be accused of posturing on an issue that affects the interests of Ontario's consumers. I wonder if he can tell us precisely what personal representations, by phone or by any other way, he has made to the Minister of Energy of Alberta and the Minister of Energy, Mines and Petroleum Resources of British Columbia, and what recent interventions he has made to the Minister of Energy, Mines and Resources of Canada. I would like to hear from him precisely what representations he has been making in the past few days.

2:30 p.m.

Hon. Mr. Kerrio: In response to the question of the leader of the third party, let me say I went to Ottawa and had an interview with the federal minister. We had a very recent involvement on the east coast with all the ministers from across Canada. I spoke to the minister as recently as last Friday.

The reason I made the public statement and the reason I sent the telegram to every federal member in this great province was that I had a very strong feeling that Ontario was not being well represented at the talks. I had all the input I could with the federal members and the minister. I felt we should have had full involvement at the bargaining table, and we did not have that. That process is ongoing at this very moment, and we still have been excluded. I have touched the bases that should have been touched, and that was not very productive. That is why it had to go in that direction.

I still say to every member of this assembly, we are going to need your help and support.

Mr. Andrewes: When the minister gets the seat he is looking for at the discussion table, will he urge the Treasurer, who has just increased the gasoline tax, to back away from increases like that so he can go to the table with some degree of credibility and speak on behalf of the businesses and the private individuals in the province?

Hon. Mr. Kerrio: My responsibility in this matter has to do with defending the manufacturers and the ordinary household users in Ontario. I am doing that to the utmost of my ability. If we can keep the manufacturing base viable and if we can keep the cost to the Canadian consumers, and especially the Ontario consumers, down to the point where it should be, there will be more money in the marketplace and taxes to do the things this very able Treasurer is trying to do.

SOCIAL ASSISTANCE

Mr. R. F. Johnston: My question is to the able Treasurer. It follows up on the theme I was

asking about on Friday, and that is the people who have been left out of his budget. He made some promises about getting rid of Ontario health insurance plan premiums, and I understand that in a first budget this is not an easy thing to address; it is a fairly enormous amount of money.

But why did he find no money to address the problems of the premium assistance program, which has not changed since 1981? There are poor people in this province who do not get any assistance with their premiums. In fact, a minimum-wage worker today has to pay 50 per cent of his premiums, and that is a lot of money. The Treasurer was able to find money for other things, like paying down Suncor. Why was he not able to find an income-generating program to pay the much smaller amount that would have helped these people with their health problems?

Hon. Mr. Nixon: The honourable member is aware that there is a premium assistance program in place at the present time and that many thousands of people, particularly those in receipt of pensions and other assistance from the province, pay no premium whatsoever. Then there is another category in which there is some premium assistance.

I can agree with the member that we did not change that level of assistance and it would have been nice so to do. Instead of that, we chose to freeze the level of OHIP premiums. This is the first time in five years—I stand to be corrected, but it is four or five years—when the premiums have not gone up.

We promised to abolish them and I would have liked to move them downwards. Instead, we decided we would not allow them to go up this year, and I believe this took a commitment—once again I stand to be corrected; I cannot rummage through here to find the number—of something like \$180 million to \$200 million simply to keep the OHIP premiums from going up. I chose not to put it in the budget as a great achievement, because it might not be seen as a great achievement by everyone who was not in full possession of all the facts.

I can assure the member that our decision to freeze the OHIP premiums at their present level took a lot of money from the budget. I was very glad to make it available, because not only do I feel the premiums must not go up but I also hope that some time in the future, when the buoyancy of the economy of the province permits, we will be able to fulfil our promise and abolish those premiums, which are by far the highest charged by any jurisdiction in Canada.

Mr. Rae: One of the continuing themes in the answer the Treasurer has been giving during the last two days is the difficulty of ever finding any money, the sense of being strapped and the need to be fiscally responsible. There is no argument anywhere in this House on the need to be fiscally responsible.

The Treasurer talked about the importance of the feds introducing a minimal tax on income at the federal level, something he cannot do anything about. The Treasurer can do something about a minimum corporate tax.

I am sure he will be aware that the federal Minister of Finance introduced figures in his last budget showing that a substantial number of corporations are making profits and are not paying any tax whatsoever, provincially or federally. Is the Treasurer aware of these figures? Is he aware of how much income could be generated by a very minimum corporate tax? Is he aware of the size of the loophole that is involved? It involves literally hundreds of millions of dollars leaving the Treasury department of Ontario.

Hon. Mr. Nixon: I cannot say I am aware of Michael Wilson's list, although perhaps I should be, but I am aware of the alternative of a minimum corporate tax. My consideration was that the changes in the corporations income tax in the province that I have already announced, which in a full year will return revenue of something like \$230 million, led to a reasonable increase in the responsibility of the corporate side. I attempted to balance the corporate with the personal income increases, and I feel this balance was reasonably achieved. I am aware of the legalities of a minimum corporations tax, however, and it was considered.

Mr. Gillies: My supplementary goes back to the first question of the leader of the third party. My understanding—

Mr. Speaker: Order.

Mr. Wildman: That is not supplementary.

Mr. Harris: It is supplementary to the question asked by the member for Scarborough West (Mr. R. F. Johnston).

Mr. Gillies: Pardon me. I mean supplementary to the first question of the member for Scarborough West.

My understanding of the New Democratic Party-Liberal accord was that there was an unequivocal agreement for the removal of Ontario health insurance plan premiums in the first Legislature. Would the Treasurer tell us whether he is going to keep that agreement?

Hon. Mr. Nixon: The member is incorrect in that regard. I have the accord totally memorized. I have only to shut my eyes and I can see the words and the signatures. It was a commitment made by our party during the election campaign and I hope we will be able to fulfil that commitment some time in the future.

Mr. Rae: In this Legislature it is important that this kind of comparison sinks in. All single working people who are poor because they are making only the minimum wage are paying at least half their OHIP premiums. For the first time in the history of the province, they are having to pay that much. At the same time, one out of three corporations that are making a profit are not paying any tax at all. As a province we could generate tens, if not hundreds, of millions of dollars from a very minimal tax on those corporations.

Given that there is this continuing problem facing working people who have very little income in terms of what they have to pay if they want access to the health system in this province, how can the Treasurer justify his failure to move with respect to a corporate minimum tax?

Hon. Mr. Nixon: I am sure the member is aware that the revenue changes in the budget were fairly tough on the people at the upper end of the income spectrum. Not only was there an increase of two per cent in personal income tax, but also there was a three per cent surcharge on incomes of more than \$50,000.

At the same time, we did make changes in the corporations tax which, when approved by the Legislature, will extract hundreds of millions from the corporate sector; at least \$200 million. We feel that is the balance that is justifiable now. We considered some alternatives and decided the level of corporations tax we brought forward was justifiable.

The member is aware that there were other changes in the corporate income tax having to do with paralleling the simplification processes at the federal level. This benefits small businesses in this province, some of whom do not pay taxes, particularly those that in the first three years of existence are exempt. They were exempted by the policy of the previous government, which we have continued for the time being.

We believe this leaves some money for the stimulation of the economy and we think this is worth while. It is a judgement I consider to be judicious and supportable. I am interested in his concept which reverts to the canard "corporate welfare bum," which we have not heard for quite a while in political discussions in Canada or in

this province. It is sort of comfortable to hear it again.

2:50 p.m.

SALE OF BEER AND WINE

Mr. Runciman: My question is for the Minister of Consumer and Commercial Relations. Last week in testimony before our party's task force on the sale of beer and wine in grocery stores, the president of the Ontario Liquor Boards Employees' Union informed us that the minister had advised the union that he saw nothing wrong with 15-year-olds serving wine and beer in grocery stores as long as the cork was not out of the bottle or the seal broken.

Is this really the minister's position on the question of minors dispensing alcohol? If it is, does he think there should be any age restrictions?

Hon. Mr. Kwinter: That is not my position on that issue.

Mr. Runciman: Is the minister advising this House that the detailed information provided to us by a highly respected union was fabricated? Is he telling us that the union lied to a committee of this House?

Hon. Mr. Kwinter: I would like to put into the record this government's position when it brings forward its legislation regarding the sale of beer and wine in the corner store. At no time will the sale ever be conducted by anyone other than a responsible adult who will have the care, custody and control of all sales.

In a news release issued by the member today, there is only one line that has any validity. It says, "During a recent meeting between his union and Kwinter, the minister indicated that he did not see grocery stores' sales of beer and wine ruling out teenagers working in the stores." That is exactly what I said. There is no provision under the Liquor Licence Act to prohibit a teenager from handling, storing or moving sealed containers of alcoholic beverages. That is what I said. At no time did I indicate that any minor or any teenager would be allowed to sell the product.

NURSING HOMES ACT

Mr. D. S. Cooke: I have a question of the Minister of Health on the decision by the courts last week regarding the Nursing Homes Act, specifically the charges against Elm Tree Nursing Home.

Does the minister realize that this court decision shifts responsibility considerably from the licence holder to individuals within the nursing homes and that it renders large portions

of the Nursing Homes Act completely unenforceable? Specifically, does he understand that because of that decision, the sections of the act that require nursing homes to be free of hazards to the health and safety of residents and that require proper health care plans for residents will no longer be enforceable? What does he intend to do to make sure the 29,000 nursing home residents in this province are protected?

Hon. Mr. Elston: A timely question from the member. I want to acknowledge that we are aware of the serious nature of that decision. We are at this time reviewing the case to see about the possibility of appealing the decision. We are also fully involved in a review of the entire nursing home section of the ministry, including several parts of the Nursing Homes Act, to see what we can do to upgrade this ministry's ability to enforce supervision to guarantee the quality care of the individuals in this province's nursing homes.

Mr. D. S. Cooke: The minister's answer is not good enough. This case was before the courts when he became the minister. This case has been before the courts since the spring of this year. There are cases all across the province that have been pending this decision. Today, 29,000 people in nursing homes are not protected. An appeal by the ministry is not good enough. We know the act is not in place to protect the residents.

Why does the minister not prepare amendments to introduce to this House now to protect those residents? He has known and we have known for years that the act has not been good enough. Why is he not prepared to protect those residents today?

Hon. Mr. Elston: This minister is prepared to protect the residents in Ontario nursing homes. We are moving very quickly inside the ministry at this time to upgrade the legislation. Although the member wants us to do it on the spur of the moment in reaction to a decision rendered last week, this minister has to be prepared to accept a decision of the courts and make sure that our legislation answers the concerns that may be raised in that decision.

In addition, the cases that are awaiting hearing, as a result of the court case that has just been decided, are being rescheduled to allow us to take the appropriate action with respect to the Elm Tree decision. We are moving to clear up any ambiguities in the act and we will do so very shortly.

DRIVER'S LICENCES

Mr. Barlow: My question is to the Treasurer with regard to the recent budget he brought into this House. In his budget he refers to the fact, and I think it is well known, that the inflation rate in this country is currently running at about four per cent. Does the Treasurer not agree it is unconscionable to raise the cost to each individual to renew his driver's licence every three years by 40 per cent, and to raise the cost of the licence sticker that we put on our cars by 12.5 per cent? How does that relate to the four per cent increase in inflation?

Hon. Mr. Nixon: In discussions with Treasury officials about the amounts, they indicated that the sticker cost has to be divisible by four, because one can get licences for something less than a full year. There are also additional costs associated with the permit that have been part of government policy, not just in our brief time but going back a considerable time, involving putting a picture of the owner on a driving permit. There is going to be an announcement about that some time in the near future, and this would go towards covering the additional costs of this convenience.

As well, at the bottom line, after the additional costs are removed, there will be some additional revenue for the consolidated revenue fund that may then be directed as the government of the day sees fit, with the approval of the Legislature, towards such programs as improving our road system.

Mr. Barlow: The Treasurer is really raising three things that will hit the motorist. He is raising the cost of gasoline and diesel fuel, the cost of licences and the cost of the sticker that goes on the licence plate. At the same time, although by his own words he is increasing the revenue to the consolidated revenue fund, he is also decreasing the budget of the Ministry of Transportation and Communications by \$34 million.

Mr. Speaker: "Is that correct?" Is that your question?

Mr. Barlow: No, that was a statement.

Mr. Speaker: This is question period.

Mr. Barlow: I am sorry. Is it the policy of this government to ask the taxpayer to pay more for less?

Hon. Mr. Nixon: Perhaps the honourable member did not read the budget, or listen to it in its entirety, because he would recall that in addition to the regular budgetary commitment for the ministry, there is a special fund of \$60 million

through the ministry to assist in improving roads at the municipal level. Even beyond that, an additional \$90 million is committed in this budget to buy streetcars and other facilities for transit that was not in the spending program we inherited, even though the streetcars, rolling stock and other facilities had already been ordered.

So besides the amount that the member properly brings to our attention, there was the special fund of \$60 million payable to the Ministry of Transportation and Communications for municipal roads, to try to make up for some of the deprivations that municipalities have experienced because of inadequate funding in the past, and the \$90 million for public transportation as well.

3 p.m.

DAY CARE

Mr. R. F. Johnston: My question is for the Minister of Community and Social Services. Today we were all lobbied by the Ontario Coalition for Better Daycare. The minister heard, as we heard, that the augmentation of the Tory promise of the spring by 2,500 spaces does nothing to meet the problem that the fees are beyond the range of the average person's capacity to pay and that the wages people are being paid to work in day care are outrageously low, given the incredible responsibility they have for our children.

What is the minister doing about those two issues? What will he do in the next couple of months to address the two most serious problems in day care?

Hon. Mr. Sweeney: The increase in day care spaces announced by the Treasurer was in keeping with the promise we had made previously. It was not intended to solve the problem the honourable member has raised. I can tell him that my staff, in conjunction with the Ontario women's directorate under the Attorney General's office, is now preparing an overall policy paper change that will address the issue he has just mentioned.

Mr. R. F. Johnston: Will the minister be addressing the issue of direct grants to the day care centres so they can provide adequate programs and assist their employees to have better wage packages? Is he going basically to wait until the renegotiation of the Canada assistance plan to make sure the feds cough up their share? Is he going to take responsibility or is he going to wait for the feds?

Hon. Mr. Sweeney: Without a new financial sharing arrangement with the federal government, whether it is through CAP or through some other mechanism, we are not financially able to make direct payments as has been indicated. However, if we can get a new deal, as I indicated this morning to the Ontario Coalition for Better Daycare, then we are quite prepared to make arrangements such as that. Without a new arrangement, we simply cannot afford it.

Mr. Eves: Is the minister aware of the fact that my predecessor, Dr. Bob Elgie, when he was the Minister of Community and Social Services, on March 20, 1985, announced an additional 7,500 day care spaces? Those spaces were already allocated before the last provincial election campaign started. Is he telling us that the statement in the budget is now a misstatement and it is not an additional 10,000 spaces, but an additional 2,500 spaces?

Hon. Mr. Sweeney: When this government took office on June 26, the final allocation of those spaces was our responsibility. We made it very clear that the allocation of a number of those were being reconsidered, and some of them were reconsidered. Our commitment was that, subsequent to the May election, 10,000 new spaces would be put into place in Ontario over the next two years. That is the promise the Treasurer made and that is the commitment we are keeping.

AUTOPSY PROCEDURES

Hon. Mr. Keyes: On Monday, October 21, the member for Riverdale (Mr. Reville) asked if I was aware of and did I support the requirement under the Coroner's Act that all autopsies be undertaken by qualified medical practitioners. I replied in the affirmative.

The honourable member then asked if I had been apprised of an Ontario Provincial Police investigation into alleged improprieties during 1985 autopsy procedures in the chief coroner's facility. In response to this question, I replied I had not but that I would be glad to check into the matter. The details are as follows:

On February 26, 1985, the chief coroner received an anonymous letter stating that a member of the pathology staff was performing duties he was not qualified to do. This letter provided details, including date, time and place of the alleged infraction.

The chief coroner immediately informed the chief pathologist of these allegations. The chief pathologist with his chief of staff carried out an investigation and found no facts to support any

allegation that any assistant or staff member had acted improperly.

The complainant in this matter, who is now known, was dissatisfied with the review conducted by the chief pathologist and sought an interview with the Deputy Solicitor General; however, the complainant subsequently cancelled the meeting.

On April 22 the deputy minister, in consultation with the assistant deputy minister, asked the OPP commissioner to have the criminal investigation branch conduct an investigation into these allegations. At the same time, the OPP had been consulted by the complainant.

The Coroner's Act requires that autopsies be done by legally qualified medical practitioners. However, they are naturally assisted by pathologists' assistants in this regard. Any functions performed by pathologists' assistants are supervised by the attending pathologist.

On May 27 the investigation report was concluded. The investigation revealed no evidence of any impropriety or wrongdoing and, accordingly, the allegations were determined to be without foundation. Nevertheless, I have asked my officials to ensure the appropriate procedures are maintained and that care be taken to ensure that personnel do not exceed their mandate.

Mr. Speaker: I would remind the minister that was quite a detailed reply. I am going to add two minutes to the question period. I would like to suggest to all ministers, if they have detailed replies, would they please make them in statements.

Mr. Reville: Will the minister table the results of the investigation in the House and will he also table the procedure that will allow post-mortem examinations to be conducted in different rooms by the same pathologist at the same time?

The minister is looking a little blank. Perhaps I could ask the question again. Will the minister table in the House a procedure whereby one pathologist may perform autopsies at the same time in two different rooms?

Hon. Mr. Keyes: I cannot blame nature for the blankness of the look. It is all right.

We certainly do have the opportunity under our procedures for two autopsies to be conducted by the same pathologist. As the member is well aware, in any autopsy there are certain preliminary procedures, such as making incisions, so the pathologist can examine the body. The procedures are outlined in detail and can be made available. It is quite possible for that to occur because the assistant works under the direction of

a pathologist at all times, even if it is in a second room.

AGRICULTURAL PROGRAMS

Mr. Stevenson: I have a question for the Minister of Agriculture and Food. The budget announced an apparently new funding of \$76 million; yet the budget background papers showed only a \$70-million increase in funding over last year. Saying nothing about normal growth in many of the programs with which the minister will be very familiar, he has obviously taken a hatchet to many of the existing and popular programs in the Ministry of Agriculture and Food. What programs has the minister cut?

Hon. Mr. Riddell: Agriculture and Food's share of the budget increased by 21 per cent over the last year. That is an accomplishment the members opposite certainly cannot brag about. Our budget is close to \$400 million, as compared to the previous government's last budget of \$334 million. If one considers the programs from the other ministries pertaining to Agriculture and Food, it is closer to \$500 million. Does that suggest there has been a cut in our programs?

Mr. Stevenson: If the minister would take off his shoes and count on his fingers and toes, it is very easy to calculate. Where did the Board of Industrial Leadership and Development money go? What is happening to the farm tax rebate that goes up every year? Look at the money required for an inflation increase on that budget and then go through the obvious things that occur year after year, without the promises of any political party.

One can very easily calculate that the ministry was expecting a substantial increase in funding this year because of programs that were already in place. How could the minister possibly keep the Agriculture and Food budget under \$450 million with the new programs he brought in?

Hon. Mr. Riddell: Let me remind the member that the previous budget was \$334 million. This one is close to \$500 million, considering the programs from the other ministries. The member needs more than his fingers and toes to figure out that matter.

3:10 p.m.

The BILD program to which the member referred, as he well knows, smacked a wee bit of an election that took place in 1981. Why would he go through a central fund when it is a ministry that develops the programs? It will be our own ministries that develop the programs. I agree that the program for the processors was a good

program and I intend to carry it on, but it is certainly not going to be under some election gimmick called BILD.

TOURISM BUDGET

Mr. Pouliot: I have a question of the Minister of Tourism and Recreation. Does he remember the mandate his government has given his ministry? The mandate was to "develop, market, strengthen and maintain Ontario's tourism and recreation industries and service."

The budget the minister has laid out for this year represents only two per cent more than the Tories had in the fiscal years 1982 and 1983. Does the minister really believe he can fulfil this mandate when he is spending \$16 million less in real dollars than those people spent three years ago?

Hon. Mr. Eakins: I want to assure the members of this House, regardless of the press releases and the comments of the members of the former government, the Tourism budget has not been reduced as they have been saying. The budget has been increased.

Mr. Pouliot: With due respect to the minister, by means of a suggestion in the question, rather than erect Taj Mahals to the vanity of the former Premier, maybe the minister should pay attention to the fact that Ontario's tourism contributes \$6.8 billion to its economy and employs some 500,000 people. In the light of the reduction in spending by his ministry, can the minister tell us whether his government has changed its mind about the importance of tourism and recreation in this province?

Hon. Mr. Eakins: I assure members that this government is very committed to the tourism industry of this province. They will note that in the Treasurer's budget it was the first ministry to be mentioned at the top of the budget speech, not at the bottom, as it has been in the past. As far as the former budget is concerned, the figure my honourable critic is looking at includes a one-time only payment to convention centres and other areas such as the domed stadium. If he takes that out, he will find that our budget is increased by about 23 per cent. This shows that we are committed to the tourism industry in this province.

Mr. Baetz: The Minister of Tourism and Recreation has made the flat statement that the budget has been increased. He did not give any figures. I have the budget here in front of me and I see that in 1985-86 Tourism and Recreation has \$146 million, whereas back in 1984-85 it had \$159 million. Will he please explain a little

further and in more detail why he is saying his budget has increased? All of this is in the light of the fact that gasoline taxes have gone up and taxes on liquor and food have gone up and, as he knows, the tourism industry does not like that.

Hon. Mr. Eakins: The member, who was the previous minister, does not need to lecture this government on the importance of tourism. They are the people who put the tax on food in this province, and we are the ones who are going to take it off.

I want to say also this is the only province in this country that does not have a tourism marketing agreement. That is another thing we are going to make sure we are going to get, and we are going to increase the profile of tourism.

Mr. Baetz: On a matter of privilege, Mr. Speaker: The minister has not answered the question.

Mr. Speaker: Order. It is not a matter of privilege. The time for oral questions has expired.

Mr. Brandt: We have two more minutes.

Mr. Speaker: They were already added.

PETITION

ROMAN CATHOLIC SECONDARY SCHOOLS

Mr. Morin: Mr. Speaker, I have a petition signed by 2,238 constituents and presented by the Knights of Columbus, council numbers 7893, 8008, 8092 and 9005, concerning the extension of funding to Roman Catholic secondary schools in Ontario.

MOTIONS

PRIVATE MEMBERS' PUBLIC BUSINESS

Hon. Mr. Nixon moved that Mr. McKessock be deleted from the order of precedence for private members' public business and that all members of the Liberal caucus listed thereafter be advanced by one place in their turn.

Mr. Wildman: I do not think we should delete the member for Grey (Mr. McKessock).

Hon. Mr. Nixon: I would point out that this is with the agreement of the honourable member.

Motion agreed to.

COMMITTEE SITTINGS

Hon. Mr. Nixon moved that the standing committee on resources development be authorized to meet in the morning of Wednesday, October 30, 1985, to finalize its recommenda-

tions concerning the 1984 annual report of the Workers' Compensation Board.

Motion agreed to.

Hon. Mr. Nixon: Just before I make the next motion, I want to direct members' attention to page 33 of Orders and Notices, on which the allocation of the various estimates during this session has been printed. The estimates, by agreement of the three House leaders, have been allocated among the committees and the numbers of hours available for debate, at least for the early estimates, are designated.

ESTIMATES

Hon. Mr. Nixon moved that in connection with the appropriate standing order 45(b), which directs this matter, the estimates as they are presented to the House be referred to the committees as indicated in the allocation statement printed in Orders and Notices today; and that the supplementary estimates as they are tabled in the House be referred to the same committees to which the main estimates have been referred for consideration within the times already allocated for the main estimates; and that any order for concurrence in supplementary supply be included in the order for concurrence and supply for that ministry.

Motion agreed to.

3:20 p.m.

ORDERS OF THE DAY

BUDGET DEBATE (continued)

Resuming the adjourned debate on the amendment to the motion that this House approves in general the budgetary policy of the government.

Mr. Foulds: I spent almost all of last weekend working on this speech. I do not know whether the results will show it, but I was very conscious of the importance of the occasion. First, the first budget by a new government in 42 years is perhaps a momentous, if not historic, occasion. Second, it is no secret that the New Democratic Party's response and attitude towards the budget is important first for the life of this parliament and second—let us be honest—for the life and growth of our party itself. I want to indicate right off the top that our party will support the budget.

In the hurried judgements that all of us made on budget day last Thursday, we gave this budget a passing grade but not a heck of a lot more. That judgement still stands. We describe it and believe it to be a caretaker budget; it is half a budget for half a year. However, in the real politics of the

Ontario Legislature of this day and age, half a loaf, as the cliché goes, is better than none.

Let me set a context for members. Last May the people of this province signalled their desire for change. For the first time in 42 years, the voters sent a clear message that they had had enough of Tory government. Conservative government was stale, unimaginative and too ridden with the kind of inertia that fails to respond to dramatically changing problems.

Through the signing of our agreement with the Liberals, my party gave the Liberals confidence for two years in exchange for certain commitments on long-overdue policy initiatives and changes. Of course, that list was not exhaustive, but it did mark a clear departure from the past, and it recognized that the people of the province elected enough New Democrats to make a change in government precisely because what we were saying made more sense than what the Conservatives could offer.

I intend to make a response as detailed—perhaps a little more detailed—as tough, as honest, as clear and as constructive as I can, and perhaps more so than the Treasurer (Mr. Nixon) would like. I want to serve notice that our party intends in this parliament to do exactly what we have done since we first won representation here in 1943. We will support those programs we find supportable; we will oppose the programs we find objectionable and hurtful to ordinary Ontarians.

Hon. Mr. Nixon: The honourable member's party had 35 members in 1943. What happened?

Mr. Foulds: The Treasurer's party had 15, I think. What happened?

Hon. Mr. Nixon: Six.

Mr. Foulds: It was only six.

We will be proposing alternative programs, as we have always done where we see social and economic inadequacies and injustices. In other words, we will be serving as a clearly independent and constructive party.

Our agreement with the governing party last spring was just that: an agreement, nothing more and nothing less. It has been called an accord, which it is, but "accord" is just a diplomatic term for "agreement." It is not a coalition, nor is it an alliance. We intend to keep the lines of communication with the government open; we do not intend to close them. We intend to use every channel at our disposal to make the points we want to make, and one of those channels is right here in this Legislature.

The governing party did undertake certain obligations, as we did, to create a new govern-

ment and a new atmosphere of change in this Legislature so that reform, progress, improvement and change could take place. That resulted in the present minority Liberal government. When asked on Tuesday last whether there was enough meat in the budget to merit NDP support, I indicated that the meat happened to be hamburger, rather than steak on the one hand or dog food on the other, but it was palatable.

Before I get into the substance of the budget, I want to deal with a couple of stylistic matters about both the budget and the present Treasurer. I was much puzzled by my own reaction to the budget. If I may say so, that reaction was—

Hon. Mr. Nixon: Enthusiastic.

Mr. Foulds: No, it was not enthusiastic; but I liked the style of the budget. I found myself saying to myself: "There are many easy targets in this budget. There are obvious tax increases." However, there was a policy in the budget that made me as a person want genuinely to like it.

Except for one matter of substance, the paltry amount of social assistance increase, I was not offended or affronted by this budget as I was by the budget of the member for St. Andrew-St. Patrick (Mr. Grossman) in 1984 or by the budget of the member for Muskoka (Mr. F. S. Miller) in 1981. Naturally, I asked myself why. The answers, although simple, took me some time to arrive at. There are three.

First, the budget, although very limited, does not pretend to be other than what it is. Like the Treasurer himself, it is a workmanlike, well-intentioned, straightforward document. It is mildly reformist and fiscally conservative. The Treasurer was offended when on radio I called him a genuine Progressive Conservative, but that is an apt description of the man.

The budget may be merely a fiscal document rather than an economic document in style, but at least it is not inflated. Unlike the member for St. Andrew-St. Patrick's grossly inflated document of 1984, which was entitled "Economic Transformation," it does not pretend to be grandiose. To give the Treasurer some credit, it is more than merely clever fluff.

Second, the budget does not try to victimize anyone. Although it does increase the tax burden for some, those tax increases, except for the gasoline fuel tax, by and large are progressive in nature. It does not, as some previous budgets have done, rip up previously arrived at agreements or contracts. It does not try to roll back wages. It does not have a nasty little bit of unfairness built into it, hidden away in some

corner. For example, it does not increase sales taxes or Ontario hospital insurance plan fees.

Third, and for me personally, its most important aspect in style is that it has a respect for language. It calls a surtax a surtax, not a social assistance maintenance tax. Why is this important? As George Orwell said in his brilliant essay *Politics and the English Language*:

"[The English language] becomes ugly and inaccurate because our thoughts are foolish, but the slovenliness of our language makes it easier for us to have foolish thoughts.... To think clearly is a necessary step towards political regeneration: so that the fight against bad English is not frivolous and is not the exclusive concern of professional writers."

Therefore, I salute the Treasurer in a minor way, because the language of his budget is the language of modest rhetoric. It uses language, as Orwell says, "as an instrument for expressing not for concealing or preventing thought." The language of the Grossman, Miller, McKeough and White budgets, and even that of Charlie MacNaughton's budgets in the early 1970s, always tried, in various ways, to conceal or prevent thought. There was something tricky about them. There is nothing very tricky about this budget. The Tories will say there are writedowns, and maybe there is a little bit of a shell game going on there, but in large measure there is nothing hidden and tricky about this budget.

Let me get to the substance and state the obvious. It is a Liberal budget, not an NDP budget. When I said that on Metro Morning last Friday, the member for Muskoka, now the Leader of the Opposition and the former Treasurer, burst out, "Thank goodness!" That indicates to me that perhaps the natural alliance should have been between the Conservatives and the Liberals, because the Conservatives find themselves more comfortable with this budget in substance than they would like to admit publicly. Their discomfort arises because for the first time in four decades they have lost the opportunity, which they had assumed to be theirs by divine right, to set and bring in the budget.

3:30 p.m.

In passing, I want to make note of two items that have focused public attention: (1) the gasoline tax is higher, if only marginally, than the promised freeze on the ad valorem tax would have been and (2) a lot of single cups of coffee and single-scoop ice cream cones are going to have to be bought individually and a lot of small packages of popcorn popped in theatre lobbies to

take any advantage of the raising of the sales tax exemption to \$1. It cost the Treasurer \$36 million. It cost him that much fiscal pain for that piddling amount of progress. Perhaps he should have taken the bull by the horns and gone stronger in that direction.

Hon. Mr. Nixon: It was either-or.

Mr. Foulds: They do not always have to either-or statements. They can just be statements. The Treasurer can make the "or."

Because it is a Liberal budget, it does have major flaws, which I merely want to outline at this time.

1. Aside from youth unemployment, it fails to create jobs or to tackle the problem of unemployment at all for those 25 years of age and over.

Hon. Mr. Nixon: What about the housing program?

Mr. Foulds: I will get to that in a few moments. It will take me a while to get around to that.

2. Also, because the budget does not deal with an economic or industrial strategy for the province, it fails to mention or deal in any depth with the auto industry, the manufacturing sector or the forestry sector of our economy. In other words, it is a fiscal document rather than an economic document.

3. Although the Ministry of the Environment budget is increased by 18 per cent, there is no establishment of an environmental protection fund, which the Liberals promised as a superfund during the election campaign. We first advocated it in our budget proposals Ontario Can Work in 1983, and by a miracle of conversion on the road to Damascus, the Conservative government promised it in its speech from the throne earlier in this parliament. In other words, there is all-party agreement on the necessity for such a fund, and the Treasurer has not brought it in.

4. The four per cent increase in social assistance payments on January 1, 1986, is simply not good enough. The poor in our society will continue to get poorer. Nothing in the budget gives me more of a sense of anger and frustration about our provincial economy than that does. On Friday, the Treasurer himself said to my colleague the member for Scarborough West (Mr. R. F. Johnston):

"The honourable member hits me where it hurts. The four per cent increase was announced well in advance; it will take place on January 1. I cannot say I believe it is adequate or what we would like it to be."

I submit to the Treasurer that he now has the responsibility to take the steps to ensure that it is

what he would like it to be. This is a major failure; it is one we recognize and it is one we will be working very hard to rectify over the next several weeks and months.

Although we have severe reservations because of the vagueness and the hocus-pocus regarding the actual funding to achieve the numbers stated, the budget does have some major achievements. There is the announcement of commitment to 10,000 housing starts, 10,000 child care spaces and a youth unemployment program. Further, the budget confirms the previously announced programs relating to a northern Ontario development fund, medically necessary travel for northerners, along with attracting specialists to the north and increased aid to farmers.

I need not go on at great length about the value of these programs, because I am sure the government will do that on every possible occasion. I only want to take some modest personal credit for the medically necessary travel, and I want to give credit to my colleagues in the New Democratic Party, particularly those who negotiated with the present government, for insisting that housing, the child care spaces and the youth employment program were part of the agreement our party arrived at with the Liberals last spring.

Hon. Mr. Nixon: Without them, we would have been all dressed up and nowhere to go.

Mr. Foulds: Wait for it. It is a paragraph away. The minister recognizes the importance and reality of that statement.

Hon. Mr. Nixon: I thought the member might run through that one a couple more times.

Mr. Foulds: We might.

These achievements in the budget are a direct and indirect result of our agreement with the government last spring. They are the main pillars of the budget, the elements that make it meaningful and the mainspring that causes my caucus to support the budget now. Without these elements, the budget would be a well-intentioned but hollow document.

The budget looks towards internal reform in the Legislature, in the Treasury and in the accounting of the province's books, but it does not look outward and give a vision for the province. That is its major flaw and failure.

I want to move to areas the budget did not deal with or dealt with only tentatively. The first is tax reform. Tax reform and tax fairness can be achieved in three ways: (1) lost tax expenditures can be recovered, (2) progressive taxes rather than regressive taxes can be assessed and (3) tax

credits can alleviate the impact of regressive taxes on the most vulnerable.

Tax reform is not an esoteric and obscure topic fit only for accountants to ponder. Tax reform is at the heart of social, economic and political democracy. Going as far back as the federal Carter commission and the provincial Smith commission, this has been obvious for almost 20 years. The heart of the ideals of American democracy and of the American Revolution was embodied in the simple call, "No taxation without representation." At the heart of the call for tax reform of this democratic socialist party, the New Democratic Party, is that very principle.

The principle of one person, one vote, is very sound for political democracy, but in the budget and the budget results it is obvious still that some louder voices have been heard. Attention has not been paid equally to the poor and the disfranchised and the marginal in our society. Their voices must be heard if we are to achieve social and economic democracy. That is where we in this party and this caucus differ fundamentally from the Liberals and the Conservatives.

We want to achieve fiscal responsibility. We want to achieve openness in government. We want to reform the budgetary process. More than that, however, we want to reform the budgetary system. Without the engine of tax reform, we cannot achieve social and economic reform, nor can we achieve social and economic justice.

The reason the province does not have enough money to finance and increase social assistance above four per cent, for example, is that it has so far refused to stop the leaks and losses of revenue from our taxation system. Those losses we quaintly call "tax expenditures." Very simply and somewhat crudely put, tax expenditures are the exemptions, deferrals, loopholes, etc., in legitimate taxes that cost the Treasury of this province a lot in revenue.

When I asked the Treasurer about this on Friday, he was able to mention off the top of his head a loss to the Treasury of \$185 million on only two taxes. Still, he refuses to make a commitment to publish a full tax expenditure account. Some of these tax expenditures are undoubtedly justified, but many, and probably most, are not, considering the decreasing revenues available to the province.

3:40 p.m.

In our party, we have estimated that at least \$1.5 billion is lost to the province in corporate tax expenditures alone. It is potentially the largest single source of revenue available to the province. For example, one point on the personal

income tax scale gets us about \$150 million in revenue. One point in corporate income tax gets us about \$120 million in revenue. Even one point in the admittedly more regressive sales tax gets us \$600 million in revenue.

Imagine having \$1.5 billion in lost revenues available to us, roughly three times the amount available to us through a one per cent increase in sales tax. Imagine having that available to us without raising taxes and not even looking seriously at this source of revenue. Every \$1.5 billion of corporate tax expenditures lost to the provincial Treasury has to be made up in some way.

In Ontario over the years it has been made up with \$1.5 billion's worth of personal and consumption taxes, sales tax, Ontario health insurance plan premiums and personal income tax, for example. In other words, middle- and lower-income Ontarians pay a higher burden of taxation than they should have to pay because the province loses \$1.5 billion in corporate tax giveaways.

By closing only two of those expenditures in this budget, the Treasurer gained \$200 million; just two of them and they were the two easy ones to do. He knows that and I know that. That is a step in the right direction, but it is a long way off. There is still \$1.3 billion to look at.

As well as reforming the tax system by gaining legitimate revenues that are at present leaking out of the system for private profit, the government can reform the tax system by building in tax credits to help protect those who are hardest hit by the regressive nature of taxes such as OHIP premiums, property taxes and sales tax. It was, therefore, a major disappointment to us that there was no enrichment of the OHIP premiums assistance, no enrichment of property tax credits and grants for sales tax credits and no enrichment of senior citizen tax grants.

According to the budget, instead of enriching tax credits, the Liberals are reducing the amount they spend on tax credits. In 1984-85, tax credits amounted to \$289 million. This fiscal year they amount to \$275 million; \$14 million less, even before adjusting for inflation.

Hon. Mr. Nixon: Why would that reduction be? Does the member have any idea?

Mr. Foulds: As a matter of fact, no. Does the Treasurer?

Hon. Mr. Nixon: I must find out.

Mr. Foulds: Yes. That is why I bring it to the minister's attention.

In 1975, tax grants represented close to five per cent of the total budget revenue.

Hon. Mr. Nixon: The member is talking about per cent. I can understand that, but the absolute dollar is going down.

Mr. Foulds: If we look at the actual dollars, they are reduced in real terms, in real dollars.

This year, tax credits represent less than one per cent of the total budget revenue. Those overview figures are translated into personal hardships for low-income earners and for Ontario seniors who have not had an increase in their tax credits since they were first introduced in 1974. Inflation has eaten away and eroded their real value. In 1974, when the government's tax credit program was fully implemented, a low-income Ontarian received \$500 in tax assistance. That is now worth about \$216. For those with moderate incomes, the assistance was worth \$160; now it is worth about \$42.

Hon. Mr. Nixon: A \$500 credit on one's taxes payable is not insignificant.

Mr. Foulds: It is not insignificant, but it is not nearly what it has been in the past. It has been eroded away, to damage the buying power and the consumption power of those who would put that money into consumption that would be a stimulus to the economy.

Hon. Mr. Nixon: The cheques are just about ready to go out.

Mr. Foulds: The fact that they are lower does not help their immediacy.

Hon. Mr. Nixon: I had to sign 600,000 of them with personal wishes.

Mr. Rae: Are you telling us the cheque is in the mail?

Mr. Speaker: Order.

Mr. Foulds: If the Treasurer keeps heckling in this way that is reminiscent of the Tories, I may have to change the position of the party during the course of the budget debate.

Hon. Mr. Nixon: I never like campaigning at Christmas time.

Mr. Foulds: Especially if you have a cheque to go out.

It is absolutely essential that this province engage in major tax reform. For far too long, Ontario's low- and middle-income earners have been paying more than their fair share of taxes. They are the most highly taxed in Canada and they pay as much in personal taxes to their provincial government as they do to their federal government.

Finally in this area of tax reform, it is important to note that the Treasurer has not established a minimum corporations income tax

or a capital gains tax. So in the area of tax reform, this province has a long way to go.

As I indicated earlier, two other areas of failure are the lack of economic vision for the whole province and, tied to that, the problem of job creation and job security for those over 25. Let me deal with the latter first.

It would now appear that governments have found the political will to seek financing to at least begin the fight against youth unemployment. Even the former Treasurer, the member for St. Andrew-St. Patrick, paid lipservice to that ideal. As well, governments are beginning to pay lipservice to funnelling some money into programs for seniors, as the extra \$11 million announced in this budget for senior citizens indicates. However, it would still appear that those literally in the middle, the worker aged over 25 and under 65, gets no encouragement, no extra help, no extra support and no extra training from this budget.

I want to remind the Treasurer of the statement of the Premier (Mr. Peterson) on July 2, the first time he met this House as Premier. He said: "We will also demonstrate that the provincial government has the ability to move the economy and create jobs. We will not sit by and accept the waste of half a million talents." Saying that he would act on the basis of three basic principles, he said directly: "There is no single cure for unemployment. We need a variety of tools, including direct job creation." Unless we count the construction in the housing program, we see no direct job creation in this budget at all for those under 25.

Therefore, for the short term, I believe the government needs to look seriously at a special community works program for every community in this province that faces unemployment at the provincial average or above.

Second, we must look at the structural causes of unemployment in Ontario and that means creating jobs in three ways: (1) import replacement, (2) shorter work time, including early retirement, and (3) aggressively diversifying the markets for our province's goods. Let me deal with them in order.

First, import replacement. We have domestic markets for products as varied as medical supplies, mining machinery, thumb tacks and hockey sticks. We import every one of these products. We are the third largest mining country in the world and the largest importer of mining machinery. We have estimated that we could create something in excess of 7,000 jobs in the manufacture of mining machinery alone over the

next 12 to 15 years simply by meeting the demands that are currently there in replacement of the machinery. That is just one example. Many times in this House, we have outlined the examples of medical supplies and a host of other areas.

3:50 p.m.

Second, shorter work time. I want to spend a bit of time on this topic. Technological change is hurtling down on all of us whether we like it or not. We know the new technology can transform people's lives. It can help the handicapped and it can eliminate the worst burdens of work for millions of people. But experts also tell us it can wipe out 500,000 manufacturing jobs and raise unemployment in Ontario to more than 20 per cent by the early 1990s unless we turn it to our benefit.

We must learn, soon, to share the work there is to do on a basis that is fair or we will allow the so-called market system to condemn millions of workers to a life of economic deprivation and social insignificance. Surely technological change should serve our needs, including the needs of the unemployed, not the other way around. Surely people should not be forced to serve the needs of some abstract thing called the economy or some abstract thing called technological change.

Let me just briefly sum up what is happening in our economy:

1. Low-paid service jobs are replacing higher-paid industrial resource jobs.
2. Technology is replacing labour in every sector of our economy.
3. Jobs are being shifted offshore.
4. New jobs are not being created fast enough.
5. Unemployment remains intolerably high.
6. Part-time work is replacing full-time work.

For example, part-time jobs have quadrupled from four per cent to 16 per cent of all jobs in the last 30 years.

Let me emphasize that reduced working time is not a panacea or a cure-all; it is not offered as a substitute for a range of effective employment policies, but it is a necessary and absolutely essential part of an overall program to combat unemployment. It is one of the tools the Premier and the Treasurer must look at.

The most important point to remember is that technological change by its very nature allows us to reduce working time. Wassily Leontieff, the Nobel laureate in economics, convincingly argued in a study of Austria that shorter working time can increase productivity while maintaining the gross national product. He also demonstrated

that it could reduce a projected unemployment rate from 10 per cent to two per cent.

Let me give members one startling fact. We could wipe out unemployment in Ontario by just one step. If we had the courage and the will to reduce the average work week in Ontario to 32 hours during the next 10 years, we could create something like 600,000 real full-time job spaces in our province alone. Think about that. It is worth making happen.

The real issue is not whether the potential for reduced work time is there or whether the resources are there, but whether or not as a society we consider it to be a priority. We know there will be battles over it. There was a battle over reducing the work week from 60 hours at the beginning of this century. By the middle of this century we had got it down to 40 hours. But there have not been any major improvements in reducing work time since the 1950s. For almost three decades we have been stalled at an average work week in Ontario of between 37 and 40 hours.

There are many ways we can begin the process. I would like to make four suggestions:

1. Make pensions portable from the first year of a person's working life.

2. This would allow us to offer voluntary early retirement with decent pensions for workers after 25 or 30 years of service.

3. Create a work futures training fund that would provide financial support for training and upgrading throughout a person's working life.

4. Immediately reduce the work week through the Employment Standards Act from 44 to 40 hours, beginning with shift workers.

In the third component of rebuilding the economy, as I have said, and I do not want to go into detail, I believe we must diversify our exports, we must market them aggressively and we must reduce our dependence on one market, the United States.

I now want to move on to a topic that was raised by my colleagues the member for Algoma (Mr. Wildman), the member for Sault Ste. Marie (Mr. Morin-Strom) and the member for Nickel Belt (Mr. Laughren) during the interim supply debate, and that is the startling deindustrialization of northern Ontario.

When Lee Canada Inc. in North Bay closed last Friday, northern Ontario was left with just four secondary manufacturing plants that employ 200 or more people and that are not related to the pulp and paper industry, the sawmills or Algoma Steel Corp. Ltd.

Those four plants are Kenroc Tools Inc. in North Bay, which employs about 200; Du Pont Canada Inc. in North Bay, employing about 400; Can Car Rail Inc. in Thunder Bay, which employs about 400; and Canadian Shipbuilding and Engineering Ltd. in Thunder Bay, which employs between 250 and 350. In an area larger than the size of France, in an area from the Quebec to Manitoba borders, there are just four secondary manufacturing plants employing 200 people or more that are not related to the resource industries.

It shows, in a startling way, how vulnerable the economy of northern Ontario really is. That economy is based entirely on the resource sectors of mining and forestry and the transportation sector. I will get to the tourism industry in a minute. The shameful way the previous administration has allowed our forests to be depleted and to become, in essence, a nonrenewable resource in some areas, means that even the 10 pulp and paper mills in northern Ontario do not have an indefinitely secure future.

Although tourism is a valuable tertiary industry, it is not a sound sector for a region to base a mature economy on entirely. It is an add-on. In times of recession, for example, tourism is often the first sector that gets hit because people pull their dollars out of there first.

The future of the young people of the north was brought home forcefully in a news story carried last week in the *Globe and Mail* by Mick Lowe from Sudbury, entitled "Jobless Figures Tell an Ominous Tale Despite Sudbury's Superficial Bloom." The end of the story went like this:

"But the most telling insight into Sudbury's future comes when a middle-aged bureaucrat is asked what he sees in store for his own children. 'I have a daughter who is just entering high school,' one civil servant responds. 'I tell her to get the best education she can and then get the hell out of this town. I would be very surprised if she were able to get a good job in Sudbury.'"

I would not go that far, but two years ago I came to the personal and heart-breaking realization that in all likelihood my own two sons, aged 11 and 12, will not be able to seek their jobs, their livelihood and their homes in northern Ontario. They will have to seek their futures in jobs outside of the region that I was born and brought up in, that is my home, and that I have tried to represent and seek social and economic justice for in the past 14 years. Like all things political, it really hits home when it hits personally. That middle-aged bureaucrat and this middle-aged politician are saying that a succession of adminis-

trations have failed northern Ontario. They have extracted the wealth, the resources and the talent, and they have failed to reinvest in the future of our region.

We in the New Democratic Party say that the new northern Ontario development fund is a step in the right direction, but it is only a small step. Giant strides need to be taken soon, long before the five-year northern Ontario development fund expires.

Whether it is the north, the south, the east or the west of this province, job creation is not an abstract principle. Job creation is the major way to combat poverty, not unemployment insurance or social assistance. Valuable though those programs are, that is not the way to combat poverty. To combat poverty, one has to create jobs.

When this party talks about improving social and economic justice, we are not talking in abstract terms. We are talking in concrete terms. The budget must be more than an accounting exercise. The Treasurer admits that growth has slowed in Ontario and that the Ontario economy will generate fewer jobs next year. Having admitted those facts, the Treasurer proceeds to ignore the economic developments in this province. That is the fundamental weakness of the Liberal budget.

4 p.m.

My leader has said that without the accord, without the agreement of this party, the government budget is all dressed up with nowhere to go. That point is underlined when it comes to economic issues. There are a number of serious economic challenges confronting Ontario, and the Treasurer has simply ignored them.

A budget must respond to the issues of wealth creation and wealth distribution. The Treasurer indicates that in 1986 the unemployment rate will average 7.7 per cent, down a half a percentage point from 1985; but that rate of reduction will be the lowest and the slowest since the start of the so-called recovery.

When we speak of an unemployment rate of 7.7 per cent, it is too easy to lose sight of the fact that in 1981 the unemployment rate was 6.6 per cent. In 1986, after four years of the so-called economic recovery, unemployment will remain approximately one fifth higher than in 1981. That is simply not acceptable.

Furthermore, the relative recovery in employment seriously masks some fundamental problems. During the recession Ontario lost 297,000 jobs in the goods-producing sectors of the economy; we have recovered only 214,000 of

those lost jobs. In manufacturing we lost 177,000 jobs and have recovered only 119,000. In other words, fully one third of the manufacturing jobs lost during the recession have yet to be recovered. The budget fails to address these developments.

It is too easy for a government to be lulled by the apparent shift in the economic growth to the service sector. The recent report of the Ontario task force on unemployment and new technology has argued, "High unemployment levels in all industries, including service-related industries, depends to a large degree upon the healthy economic performance of our goods-producing industries."

I submit to the House that this administration so far, like previous administrations, has not taken steps to produce a healthy climate to induce a healthy performance for our goods-producing industries. It is not good enough to be content, as the Liberals are, with the relative rise in employment.

As I have outlined in regard to the north, the Liberals have ignored the regional variations in employment recovery. Of the 10 cities in Ontario for which Statistics Canada provides data, five have unemployment rates higher than the provincial average. The unemployment rate in Sudbury is 78 per cent higher than the provincial average. In St. Catharines-Niagara, despite the recovery in the automotive sector, the unemployment rate is 26 per cent higher than the provincial average. It is clear that we need a sectoral strategy and a regional economic strategy, but the budget is silent on these issues.

This is the third time I have had the privilege of replying on behalf of our party to the budget. Frankly, I always find these occasions demanding and difficult, and this one is perhaps the most demanding and difficult of all. "Challenging" is the word that is used to mask both the demands and difficulties.

It is demanding and difficult not for the reasons that outsiders would think, not for political reasons but for human reasons. When one is a budget spokesman or a Treasury critic, one can too easily become immersed in political, economic and fiscal jargon. It is too easy to put the triple-A credit rating ahead of people. It is too easy to talk about enhanced trade versus free trade, to talk about global product mandating, to talk about deindustrialization and to talk about billions of dollars. Those phrases roll trippingly and easily off the tongue of the spokesmen in this House.

I always try to remember, as I approach a budget, that at the heart of it all are people; at the heart of it all are individuals, the people for whom a budget or an economy should be designed. I try to remember my friend or my neighbour who lost his job through no fault of his own at the height of the recession and never has recovered it, and who subsequently lost his home.

I try to remember the 19 people who died in the Extendicare London Nursing Home recently. I try to remember the street people, mostly natives of Thunder Bay, the disenfranchised, whom my colleague from Scarborough West has documented so well in his report, *The Other Ontario*. I try to remember the men and women of all ages who come into my constituency office every week, desperately seeking work.

I want to quote from a speech made by Bishop John O'Mara, the Roman Catholic bishop of Thunder Bay, in April of last year. He said: "Our society considers capital as a dominant principle of economic life. This orientation directly contradicts the ethical principle that labour, not capital, must be given priority in the development of an economy based on justice. We grow and mature through the work that we do, through the challenges we meet, through the responsibilities we accept. Work puts order into our lives and gives us a sense of accomplishment too. Work in some form or other is necessary for human survival."

That is the reason we in the New Democratic Party put such an emphasis on job creation; that is why we believe job creation is the best weapon we have to combat poverty. We believe it is the best weapon we have to enhance human dignity.

I do believe the provincial government can and does have a special responsibility, the responsibility to show leadership courage and initiative. I believe that as a parliamentarian and as a democratic socialist. I remain an optimist and an unrepentant democratic socialist. I believe and my party believes labour is more important than capital. I believe that without labour there is no such thing as wealth and without work there is no such thing as creativity. Work, whether it is the work of a mother, the artist, the labourer or the businessman is a key ingredient in shaping our society and in shaping our very natures.

In the months, weeks and days ahead, we in the New Democratic Party will be working with every ounce of strength at our disposal to achieve equal job opportunities for all in this rich and wonderful province. The business of government is people, and people cannot continue to be

sacrificed on the altar of an abstract thing called the economy. The economy has to be designed to serve the needs of people.

We believe in this party that the politics of hardheadedness, the politics of fiscal responsibility must and can be combined with the politics of warmheartedness.

Hon. Ms. Munro: Before he leaves, I want first to congratulate the Treasurer for an outstanding performance last Thursday.

Hon. Mr. Nixon: I will be right back.

Hon. Ms. Munro: One comment I have heard is that central casting could not have come up with a better actor to play the part, and I could not agree more.

In his blue business suit, the Treasurer was the personification of fiscal responsibility. Far from suffering from stage fright, he seemed to bask comfortably in the limelight, and well he might. He received rave reviews from most of the critics. The *Toronto Globe and Mail*, for example, called his presentation "a shrewd budget" and the *Toronto Star* hailed it as "a good start." Even a columnist in the *Toronto Sun* gave "old Brant county farmer, Bob Nixon" credit for "a pragmatic political document."

On Friday morning I addressed a breakfast meeting of the Hamilton Chamber of Commerce where a large number of corporate, industrial, business, social service and educators attended. Half of my remarks were dedicated to the budget. My immediate impression was that the budget was received as one put forward in responsible terms, balancing both social and economic concerns.

Headline comments in the *Hamilton Spectator* indicated accurately that richer families would shoulder the burden of the tax changes and that "Nixon planned to clean up trickeries on assets." The budget was received with cautious optimism from local officials. Universities and colleges, of course, expected more. Municipal, hospital and public housing officials were generally pleased.

4:10 p.m.

On the question of transfer payments, it appeared that Hamilton was comfortable. Hamilton Alderman Don Gray, for example, who chairs the city's finance committee, described increases as reasonable. Peter Hill, spokesman for Hamilton Civic Hospitals, said he was encouraged by an increase in the health care budget. Arnold Krever, director of the Hamilton Board of Education, said the increase sounded promising but added that he would have to wait for additional applications to the government.

That evening I was present with the Treasurer as he addressed the ethnic media. I think this fact signals to the ethnic community that he is indeed opening up the budget process and does care enough for those small community papers to be present with them and to explain any questions they may have that their readers are interested in. I applaud his grass-roots approach.

Much of the Treasurer's confidence in the House on budget day came from the reassuring presence of his wife Dorothy, known in Brantford as the power behind the milk stool. All kidding aside, his budget does reflect his rural roots. It is a practical, down-to-earth, non-nonsense document. It is candid, open and clear. What you see is what you get.

I understand that a back-room adviser to the former government remarked that we finally have a Conservative Treasurer after waiting 42 years. I suppose that is a compliment and it does reflect the general focus in the media and public reaction on the fiscal implications of the budget. However, this budget is more than a financial and accounting document. It is also a road map for the achievement of the social and economic goals of our new administration. It is the beginning, "A first step," in the words of the Toronto Star editorial, "towards open, competent and compassionate government."

Let me comment briefly on the major financial issues before moving to the broad social ramifications. The Treasurer has opened up the books, removed accounting anomalies and written off overvalued assets, such as the Suncor shares and Ontario Land Corp. holdings and mortgages. He has also met expenditure commitments to hospitals and municipal transit, for example, which were not funded in the estimates inherited from the former government.

With a clean slate we now have a more realistic and a more easily understood financial picture. I compliment the Treasurer for his decisive action to rationalize provincial finances and to produce a balance sheet that reflects the true state of affairs. We now know where we stand, and that knowledge is a prerequisite for sound financial planning and management.

The Treasurer has also taken action to ensure that the Ontario government's partners—municipalities, school boards, universities, colleges and hospitals—know where they stand. He has notified these institutions of their transfer payment levels not only for the current year but for next year as well. This information will create a more certain environment so that our partners

can bring good management and a more businesslike approach to their responsibilities.

The province has also acted to deliver better value for the taxpayer's dollar. We have constrained unnecessary and unproductive expenditures and eliminated unnecessary agencies. In all, we have trimmed spending by more than \$260 million to keep expenditures under control.

It is important to stress that the budget actions to discharge the Suncor debt, restore advances to school boards and meet unfunded commitments represent extraordinary, one-time items in the accounts. Without these extraordinary measures, the budget holds net cash requirements to a level below that of last year. The implication is clear. We in Ontario can enhance the quality of life while living within our means. We can afford improvements to our vital social and human services.

As the economic outlook presented in the budget indicates, our economy is strong. In the May 2 election the people of Ontario sent a message that some of the fruits of our economic growth should be invested in more responsive government programs and services. The people of Ontario want to show compassion to the less fortunate and they want to remove barriers to equal opportunity. This is the mandate to which Thursday's budget responds.

We recognize full well that tax increases are politically risky. The Treasurer has acted with courage in his measures to raise the revenues we need to start building the kind of society we want. The Treasurer has designed these taxation measures, using the principle of fairness.

Our taxation policy is based on the principle of pay as you can. This budget eliminates or reduces Ontario income tax for 390,000 low-income individuals through an enriched Ontario tax reduction program. Contrary to opposition forecasts, we have chosen not to increase the regressive sales tax which affects most those who can afford it least. Instead, we have relied primarily on the progressive income tax system, based on ability to pay, to achieve an equitable sharing of the responsibility to pay for public programs.

Quite rightly, the budget opposes the federal government's planned \$500,000-lifetime capital gains tax exemption. As the Treasurer has observed, this tax break is more likely to stimulate speculation in Florida real estate and foreign securities than productive investment in Canadian industry. Ontario believes the capital gains tax exemption should apply only to family farms and small business.

We are drafting proposed amendments to the federal-provincial tax collection agreement to allow Ontario to continue taxing capital gains, except in these two categories. The capital gains exemption is, in effect, a giveaway to affluent taxpayers. The revenue lost would have to be made up by lower-income earners, and that is simply unfair.

I respect the Treasurer's determination to maintain Ontario's credit rating. The budget presents a responsible fiscal plan which deals with outstanding financial problems, such as Suncor, in a businesslike manner. Because of the sound fiscal policy and the favourable economic outlook, the security Ontario offers investors is stronger than at any time in recent years. But we must never let the credit rating become an end in itself. If the choice is between jobs and triple-A, we will take jobs any day.

The media focus on the Treasurer's courageous and sensible financial policy has tended to obscure the equally important social impact of this creative and compassionate budget. Housing, education, health care, child care and northern services are social concerns that are being addressed. By the very fact that they address questions of individual accessibility and equity, they will impact on the economic strength of this province. They will also impact on the ways in which individuals are able to contribute, participate and benefit in the world of work, recreation, leisure and culture.

I am honoured to lead off the government's side in this debate, but the Premier did not call on me because of my in-depth knowledge of finance and the budgetary process, I speak rather as the member for Hamilton Centre and as a member of the government. I am also here as the Minister of Citizenship and Culture. Taking these together, I believe I have a first-hand knowledge and understanding of how budgets affect people's lives.

This budget deals directly with the critical challenges facing contemporary Ontario society. It promises a brighter future for our children and our children's children. It is truly a people's budget. The document offers hope and support for senior citizens, students, working parents, young people and those receiving social assistance. It is sensitive to the demographic and industrial changes the province is now undergoing, and it is a compassionate response to the needs of those who have been left behind in the march of economic progress.

As an educator by profession, I am deeply impressed by the budget's renewed commitment

to education as an investment in the future. We are keeping our pledge gradually to increase school board support by raising the 1986 general legislative grants by 5.4 per cent. In addition, a \$25-million education capital fund will significantly boost the \$67 million in next year's basic allocation for capital purposes. The new money will allow school boards to begin building much-needed new facilities in fast-growing communities and to modernize existing schools.

4:20 p.m.

The Treasurer has dedicated \$80 million in 1986-87 for the colleges and universities excellence funds. We are countering the harm done by chronic underfunding of the post-secondary system. The money will enable universities to update student and library equipment, step up research activities and bring new blood to the ranks of the faculty. The excellence funds will allow colleges to purchase the latest teaching equipment and will enable both colleges and universities to undertake badly needed capital repairs.

Before entering the Legislature this spring, I was director of the Centre for Continuing Education at McMaster University. I am well aware of how much this additional financial support means to the academic community of faculty, students and administrators. The government is particularly determined to broaden access to the post-secondary system by lowering financial barriers.

With this budget, we will increase funding to the Ontario student assistance program in 1986-87 by eight per cent while holding increases in formula tuition fees to four per cent. We believe every Ontarian with the talent and ambition to complete college or university studies should have the opportunity to do so, but we must not and will not overlook our less-educated young people who are trapped in a vicious circle. They find themselves unable to get a job without practical experience and unable to get experience without a job.

Last week, the Minister of Skills Development (Mr. Sorbara) announced the aptly named Futures program. This is designed to provide on-the-job training and encourage educational upgrading among those who have left our school system before gaining the skills required to participate in today's world.

The Futures program offers a guarantee of one year's valuable work experience for those young people facing serious barriers to employment who make a personal commitment towards secondary school graduation. It offers up to 16

weeks of on-the-job training for young persons electing that option. Futures also provides candidates who require pre-employment preparation with training in basic social and work skills.

This new initiative replaces a patchwork of six existing youth employment and training programs which had created inconsistencies, gaps, duplication and, more important, frustration. Through Futures, we are keeping our promise to consolidate our programs so they are understandable and accessible to the public; so they are the programs of youth in Ontario.

The youth unemployment rate now stands at more than 12 per cent. The Futures program represents a concerted and meaningful attack on this intolerable waste of lives and talents. It is being well received in the community.

This year we will spend \$133 million in providing support to 56,000 hard-to-employ young people across this province. For youth programs as a whole, the budget announced a \$75-million increase for 1985-86, to \$175 million, and a further hike to \$200 million in 1986-87. By the end of next year, these funds will create employment opportunities and training places for more than 230,000 young persons.

In another move to smooth the transition between school and work, we will encourage co-operative education programs in which students alternate periods of study and employment. I attended the 65th anniversary celebration of Delta Secondary School on Friday evening. This particular budget item raised a great deal of interest and expectation, not only from graduates of Delta Secondary School but also from young students who were sitting there wondering what their future would be in the years ahead. Over the next three years, the province will provide school boards with \$30 million to support co-operative programs for high school students.

The budget reinforces the province's partnership with municipal government. In addition to raising the basic allocation to the municipal sector in 1986-87 by 4.2 per cent, the budget creates a municipal improvement fund. In the coming fiscal year, the fund will devote \$60 million to special road renovations and urban transit. Communities around the province will soon learn the details from the Minister of Transportation and Communications (Mr. Fulton).

The quality and quantity of our housing supply have a critical impact on the social fabric of our communities. As a major priority, the government is developing an integrated housing strate-

gy in response to the problems of the housing sector. As a first step, we are expanding the supply of affordable rental housing. The budget has allocated funds for the construction of at least 10,000 additional nonprofit housing units in the next three years, including more than 4,000 units for families who will receive rent-geared-to-income subsidies.

In a parallel measure, we will reinforce the private sector role. Interest-subsidized loans will be provided to developers to stimulate the construction of 5,000 rental housing units. A valuable spinoff of these two programs will be the creation of more than 30,000 jobs.

In addition to affordable housing, today's young families also require improved child care programs. More than 20 members of the Liberal caucus attended the Ontario Coalition for Better Daycare, an indication of the great interest of this caucus in working towards better housing and better child care. The budget provides for an additional 10,000 subsidized child care spaces. Priority will also be given to rural and underserved areas and to children with special needs. The coalition recognized these positive steps.

In further measures to help children, the budget allocates funds to provide higher benefits for the children of social assistance recipients, and for handicapped children in particular. Resources have also been set aside to increase the shelter subsidy under social assistance to help offset high shelter costs in urban areas. I look forward to the early announcement of the details by my colleague the Minister of Community and Social Services (Mr. Sweeney).

It is not only the younger generation but also the oldest who most need government attention. This government is moving to address the challenges posed by the expansion in the number of senior citizens. Our overriding goal is to assist the elderly to preserve their health, independence and participation in the community. The budget provides \$11 million on an annual basis to strengthen support services for senior citizens and to begin the process of revitalizing community care.

Ontario's health care system must be kept at a state-of-the-art level. The budget announced that the total allocation for hospital operating costs for 1986-87 will be increased by a very substantial 8.3 per cent. The new money will include an increase in the basic allocation plus funds to respond to the rising demand for hospital services and to deliver new, approved hospital programs.

We will also provide financial assistance to northern residents who must travel long distances to obtain necessary medical care that is unavailable in their communities. This measure will help to remove financial barriers to access to specialist health care services. The Minister of Health (Mr. Elston) has also developed a complementary program to encourage more medical specialists to establish practices in northern Ontario.

Health care and post-secondary education in Canada have long been recognized as shared federal-provincial responsibilities. Ontario is most apprehensive about federal plans to reduce the growth rate of transfer payments to the provinces in these two areas. Unless the federal government changes course, our health and education systems will lose \$2 billion in federal support during the next five years.

As the Treasurer emphasized, Ontario is determined to strengthen our post-secondary institutions and we are determined to meet the health care needs created by an ageing population and new medical technologies. We will continue to urge Ottawa in the strongest possible terms to maintain the traditional federal-provincial partnership and to withdraw the proposed transfer cuts.

4:30 p.m.

The provincial budget expenditures on education, training, housing, health care and other public services represent significant progress towards a better life for Ontarians. These programs and initiatives respond with compassion and social justice to the needs of the new Ontario. But even those who feel compelled to judge programs by the bottom line should applaud these measures, for this spending is more than social overhead.

In today's global economic competition, we must base our search for excellence on the premise that our people represent our most valuable asset. To be productive, people require housing, education, training, good health and cultural opportunities. These expenditures on human services are not frills but worthwhile productive investments in the very foundation of our economy.

The Treasurer stressed that the government is developing a fresh, comprehensive approach to industrial policy to improve our long-term economic performance and job creation potential. As Minister of Citizenship and Culture, I was particularly heartened by his determination to strengthen our service sector, which includes cultural activity as a major component.

Culture in Ontario makes a \$3.5-billion contribution to our service economy and generates much tourist traffic. An estimated 172,000 Ontario jobs now depend directly on culture and the arts. This is only the beginning. Our future growth prospects are becoming even brighter as the service and information economy matures. The government will take action to help our cultural communities and enterprises seize these emerging opportunities.

The province's immediate economic objectives are set forth in the budget. Economic development in northern Ontario ranks high on the agenda. I recently had the chance to visit the Science North complex in Sudbury, which is a tremendous educational and cultural resource for the region as well as a powerful magnet for tourists. The facility exemplifies what government and local communities can accomplish through teamwork and co-operation.

In early December, I will be touring four small northern centres and while there will speak to a conference on the Wawatay Native Communications Society. The trip will give me direct exposure to the emerging self-reliance of our native peoples, and I am looking forward to it.

To capitalize on northern ambition and drive, the government has created a special \$100-million northern development fund. Over the next five years, this fund will support economic development initiatives of the Ministry of Northern Affairs and Mines to create viable and lasting economic activity in the north.

The reform of the provincial mining tax will have a positive impact on an industry that is vital to the economic health of northern Ontario. The Treasurer has proposed changes that would simplify the tax without loss of government revenue. The amendments would replace the current graduated rate structure with a flat 20 per cent tax rate, scaleback processing allowances and streamline administrative provisions. My colleague the Minister of Northern Affairs and Mines (Mr. Fontaine) will introduce legislation to be implemented in April 1985 after full consultation and discussion.

Many of our family farms are caught between low cash receipts on the one hand and heavy debt burdens on the other. In response, the budget provides \$50 million for the Ontario family farm interest rate reduction program to help farmers reduce the cost of their long-term debt to eight per cent for this year.

The Treasurer has allocated a further \$20 million as the province's share of this year's payments under the tripartite stabilization plan

for red meat producers. Ontario is also developing a \$6-million transition fund to assist tobacco and other farmers leaving the agriculture industry.

The major source of new jobs in the province is the small business sector. The entrepreneurs of Hamilton and elsewhere welcome the \$5-million increase in the budget of the small business development corporations program to \$30 million this year. In a boost to our emerging information industries, the budget adds computer software development as an eligible business activity. The Treasurer is also modifying the SBDC program to stimulate the economies of northern and eastern Ontario. Compared with the rest of the province, investors in these regions will benefit from a higher incentive rate, a lower minimum capital requirement and a broader definition of eligible business.

In the first Liberal budget since 1943, the Treasurer has made the tough decisions necessary to rationalize the financial affairs of the province and provide the public services our people need. This budget will create a more positive environment for economic growth and a wider range of opportunities for all Ontarians. The overall impact will surely benefit the clients of my ministry who are trying to find a niche in the new society.

The budget will also equip young people to face the future with confidence. It will expand our housing supply, enhance our health care system and strengthen our schools, colleges and universities. It will help farmers, senior citizens and small business people. It will raise welfare benefits for children and improve access to child care. It will accelerate development in northern Ontario, and it will improve the fairness and equity of Ontario's tax system.

I believe a new spirit of openness and co-operation is guiding the deliberations of this assembly. This is a spirit I personally have tried to foster by instituting a policy of informing all

members in advance of citizenship or cultural grants being awarded in their ridings. We believe sincerely that stewardship of the public purse is the responsibility of all sides of the House.

It was in this spirit that the Treasurer tabled a discussion paper on opening up the process of budget preparation. The paper proposes the creation of a new all-party committee of MPPs to hold open prebudget hearings, a reform that would broaden participation in the budget-making process.

I look forward to the remainder of this budget debate. As the Premier said in his July 2 statement, "We are committed to making minority government work, and our aim is to make use of the talents of all legislators. In this House, everyone will count."

This budget fulfils the social and economic commitments as outlined by the Premier on July 2. It represents a fiscally responsible plan to finance the everyday business of government and pay for the priorities of our new administration. The government welcomes the participation of all members as this House collectively addresses the budget challenge faced by the Treasurer, which is to balance carefully, social responsibility with fiscal responsibility.

Mr. McCague: Mr. Speaker, I understand there are no further speakers for today on the budgetary motion.

On motion by Mr. McCague, the debate was adjourned.

Hon. Mr. Nixon: Mr. Speaker, I am concerned about the hour, but the pressure to participate in this debate at this time does not seem to be unduly high. For that reason and with the understanding that we will continue with the debate tomorrow, Thursday, Friday and next Monday, I will move the adjournment of the House.

The House adjourned at 4:38 p.m.

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Legislative Assembly of Ontario

First Session, 33rd Parliament

Tuesday, October 29, 1985

Afternoon Sitting

Speaker: Honourable H. A. Edighoffer

Clerk of the House: R. G. Lewis, QC



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LEGISLATIVE ASSEMBLY OF ONTARIO

Tuesday, October 29, 1985

The House met at 2 p.m.

Prayers.

POLLS

Hon. Mr. Nixon: I would like to take this moment to table copies of public opinion polls dealing with teleconferencing and commercial promotion of the Great Lakes-Seaway system.

STATEMENTS BY THE MINISTRY

PHOTO DRIVER LICENSING PROGRAM

Hon. Mr. Fulton: Copies of my statement are being delivered at this moment.

I am pleased to provide members of the House with an update on Ontario's photo driver licensing program, which will be implemented on February 3, 1986.

For many years, community and special-interest groups across Ontario recommended photo licensing, urging the government to take action, and for some very good reasons. It is the best way we know to prevent suspended drivers from using someone else's licence to enable them to continue driving. Under the current system, if stopped by police, they have only to produce another person's licence and the police have no way of knowing positively whether it is theirs or not. Often such drivers have been suspended for the nonpayment of fines or for drinking and driving. Without photo driver licence identification, officers have no way of knowing or ensuring that they have the right driver.

Mr. F. S. Miller: Mr. Speaker, on a point of order: I do not appear to have a copy of the statement.

Mr. Speaker: I understood they were sent.

Mr. F. S. Miller: It is not on my desk.

Hon. Mr. Fulton: They were distributed to the Speaker's office.

Mr. Speaker: Would the minister see whether a copy is available?

Hon. Mr. Fulton: The member for Cambridge (Mr. Barlow) has a copy, and there is a copy on the desk of the member for Essex North (Mr. Hayes).

Mr. F. S. Miller: There has to be one for the leader also.

Mr. Speaker: I believe the standing orders say there must be copies for the critic and the leader.

Hon. Mr. Fulton: They were delivered to the Speaker's office.

Mr. F. S. Miller: I have to wait until I get it.

Mr. Speaker: It has been suggested that we wait until the statement is delivered.

Hon. Mr. Fulton: At your pleasure.

Mr. R. F. Johnston: Mr. Speaker, on a point of order: Are there extra copies to be delivered, or are we just going to wait here in silence?

Mr. Speaker: Time will tell.

Interjections.

Mr. Rae: We could have a singsong. We could sing Everything's Coming Up Roses in Kansas City. We could have a good time.

Mr. Speaker: Does the Leader of the Opposition have a copy?

Mr. F. S. Miller: Yes.

Mr. Speaker: The Minister of Transportation and Communications will please continue.

Hon. Mr. Fulton: Such people deliberately flout the law and endanger the lives of all safety-conscious drivers. It comes as no surprise that photo licensing has the support of concerned community groups. The police have long advocated this program, not merely as a law-enforcement aid but as a means of positive, secure identification.

We are proposing a two-part licence consisting of a laminated photo card and a licence card. Once we have the system in place, we plan to offer the best possible photo licensing service to the motoring public with a minimum of inconvenience, by making the three-year transition period as simple and easy as possible. Every ministry driver examination centre and every driver and vehicle licence office in our province—almost 400 of them—will be equipped to take colour photographs.

I am convinced the advantages of safety and security are very much in the public interest. The people of Ontario have a right to expect their government to act responsibly on their behalf. Therefore, I feel photo driver licensing constitutes a responsible action on our part and a major

step forward in combating the flagrant abuse of the law under the Highway Traffic Act. It is a progressive move, which will provide our police with a better means of proper identification and make for safer roads in Ontario.

Mr. Eves: Mr. Speaker, I am rising on a point of order with respect to the budget of the Treasurer (Mr. Nixon). The Treasurer's promise to exempt meals under \$1 from sales tax is an insult to Ontarians. I would like to deliver to the Treasurer an example of—

Mr. Speaker: Order. Will the honourable member take his seat?

FILM VIEWING

Mr. Sargent: On a point of privilege, Mr. Speaker: I would like to advise all members of the House that tomorrow, Wednesday, October 30, at 2 p.m. in the government caucus room, arrangements have been made for members of the Legislature and the press to view a film called *Stop Star Wars*, featuring Dr. Helen Caldicott.

This film is one of the most important documentaries available in the world today, a revelation of the time frame, etc., and the total disaster facing the world today. This showing is very timely in view of the fact that the select committee on energy will be meeting on Thursday to draft its first report to the House. I realize many members have committees to sit on; so we will try to accommodate those who cannot be there tomorrow at another time.

Mr. Speaker: It is hardly a point of privilege. I remember receiving notice from the member, and I am sure all members have received notice.

Mr. Runciman: On a point of privilege, Mr. Speaker: I respectfully request that you carry out an investigation to determine whether, during question period yesterday, the privileges of assembly members were violated by the Minister of Consumer and Commercial Relations (Mr. Kwinter) in denying statements attributed to him by five senior officials of the Ontario Liquor Boards Employees' Union.

Mr. Speaker: I do not believe that is a point of privilege. It is a request that the Speaker carry out a matter. However, I am quite positive the Speaker does not have the authority to carry out such an investigation.

2:10 p.m.

Mr. McFadden: On a point of personal privilege, Mr. Speaker: Last Thursday during question period, I asked the Minister of Housing (Mr. Curling) whether he had stated on radio station CKFM that key charges were being

charged with regard to prospective tenants and whether he had said they would go on for two years. Since asking that question, I have had the opportunity to review the transcript and to listen to the tape, and it would appear the minister's memory failed him on that point.

Mr. Speaker: Order. That is not a point of privilege; it is a point of view. I have to say the member is out of order.

ORAL QUESTIONS

ACCESS TO MINISTERS

Mr. F. S. Miller: I have a question for my friend the Premier. I have here a copy of LEAF 2, the sequel to LEAF 1. LEAF, even though this is autumn and they may be falling, is the group called the Liberal Economic Advisory Forum, which sells access to the Prime Minister's office at \$1,000 a crack.

I recall not too long ago, on October 15, the Premier answered some questions in this House in this way:

"I have told Mr. Smith, and would tell anyone else raising money in our party, that there is no suggestion and there is to be no suggestion anywhere of any favours for any amount of money. We are clearly and absolutely against that."

Eight days after he said that, the letter came out with one tiny change, which did not change the import of the letter at all; it continued to rent his services to people who paid his party for access to him. Is he aware that they ignored him?

Hon. Mr. Peterson: Nobody ignores me. If that is the question, the answer is that they do not ignore me. However, if the Leader of the Opposition wants me to address the question he should have put, I will be very happy to do that; I know his sensitivity on this matter.

He will be aware that we had some discussions, and there was perhaps a sense among some that there was an improper perception of some sort of improper behaviour. However, let me tell him that message was very clearly conveyed to the party. I think he wants to be fair, because he is a fair-minded chap, and he wants to read the letter in full to this House. It asks for donations of \$1,000 or more. As he knows, they are all reportable and all part of the public record. Let me read it to him.

"Membership is by way of a minimum donation of \$1,000, and by doing so, you will also be supporting the Ontario Liberal Party by helping reduce our campaign debt and to finance ongoing party operations."

That is clearly what it is for. Presumably his party raises money, and we raise money. Any sensible person reading that letter would clearly get that sense.

Mr. F. S. Miller: The Premier said there was no influence peddling. I find that hard to believe. He also said he told Mr. Smith directly that he did not want this to happen any more. Mr. Smith says the Premier did not. Who is lying? Is the Premier lying or is he lying?

Hon. Mr. Peterson: My friend wants to be very careful before he puts himself in a position that I am sure he would not be comfortable being in.

The message was conveyed very clearly to Mr. Smith, as reported. The member will recall that after that—he will not recall it, but I will tell him—a notice was sent out to all fund-raisers in the party in all ridings clearly explaining where the party stands on these issues. It included therein a code of ethics, which I will read to him for his own information. Here is our code of ethics, and here is how we operate. It says this:

“All contributions shall be simple, unconditional donations, and no solicitor shall either directly or by inference suggest to any donor that he may be entitled by reason of such donation to any favour, special consideration or representation of any kind with respect to proposed legislation, regulations or orders of the government of Ontario or any department thereof, or to any contract, transaction or other affairs of any nature or kind whatsoever in which the government of Ontario, Parliament or any department thereof where agencies and dependencies have a direct or indirect influence.”

Let me assure him there are no special interests in our party.

Mr. Rae: The Premier said on October 15, “I have told Mr. Smith” and he went on to say what he told Mr. Smith. Did he tell Mr. Smith? And for heaven’s sake, after the second disgrace, why does he not cancel the whole program?

Hon. Mr. Peterson: I told Mr. Ezrin and Mr. Ashworth in my office. The message was immediately conveyed. In the meantime, Mr. Smith had been in China, as the honourable member knows. Very clearly, the party understands where the government is on this issue. It is that simple.

Mr. F. S. Miller: It seems evident that the Premier is saying that what he put on the record on October 15 was not the truth. The Premier did not tell him, as he told us he told him. That is important. Is the Premier going to take control of

his party? Is he going to get rid of these abominable practices and stand by the principles we stood by?

Hon. Mr. Peterson: Now that my friend has an opposition mentality he is trying to create some impression that is clearly not the case. As I have said before, if he is interested in changing the way fund-raising is done by this House under the Election Finances Reform Act, we will welcome his suggestions in that regard, but the impressions he is trying to create are absolutely wrong and false.

My friend may want to speak to the Prime Minister in that regard. He originally mentioned in his first question that the Prime Minister was selling access, and he may want to take that question directly to him. I notice his letter to the 500 Club says, “The Prime Minister will be our guest speaker at a special luncheon and will also attend at a closed-session question and answer period for members only following lunch—a unique opportunity for all of us.” My friend may want to take his new-found morality to his kissing cousins there.

TAX INCREASES

Mr. Grossman: I have a question for the Treasurer.

[Applause]

Mr. Grossman: Are the members applauding him or me?

In preparing his budget and making decisions about tax increases, such as, in effect, 3.3 per cent to 3.6 per cent in corporate income tax, there is no doubt his staff will have told him how many jobs that will cost the province. Will he share that information with us?

Hon. Mr. Nixon: The honourable member will be aware that balancing every tax increase is the expenditure of the funds. In this instance, the funds were used to provide new programs already announced in this House having to do with job opportunities for young people, which will cost this province \$200 million in their second year; programs to foster economic development in northern Ontario, a \$100-million fund over five years, twice as big as the Tory program; and a housing program—

Interjections.

Mr. Speaker: Order. Do members want to hear any sort of answer at all from the Treasurer?

Interjections.

Mr. Speaker: Order. I gather you do not.

Mr. Grossman: We did not get one; so let me come back to the question to the Treasurer. We

know Treasurers in most governments use the money they raise to create jobs. We will be getting to how many jobs the Treasurer is creating in terms of what he was just suggesting. Before we do that, however, any staff, particularly Treasury staff, first advises the Treasurer on the job loss and the economic slowdown when that money is first taken out of the economy.

I am not asking the Treasurer how many jobs the government is creating with the money he has raised. I am asking what his staff advised him in regard to lost jobs when the government increased corporate income taxes by \$200 million. Will he share that with the Legislature?

Hon. Mr. Nixon: The information provided to me is in the budget papers, and it clearly indicates there will be 108,000 new jobs next year, plus the 30,000—

Mr. Grossman: That is not the question. Why does the Treasurer not tell us the answer?

2:20 p.m.

Hon. Mr. Nixon: The member asked me to tell him and the other members of the House what the staff had given me as to background information. I am telling him that our projection calls for 108,000 new jobs, plus 30,000 jobs associated with our housing program.

Mr. Grossman: I want to put the question once again clearly to the Treasurer. Every time money is taken out of the economy, every time money is taken away from the private sector into government, it hurts the private sector's chances of investing. I have been Treasurer of this province. Every time we contemplated a tax increase, the Treasury staff reported to me that every single tax increase would cost some jobs and harm the economy in some way.

Would the Treasurer therefore share with us the information he was given by his staff with regard to the cost in jobs, the number of jobs lost by taking out of the economy \$200 million in corporate income tax? Will he share that with the House or will he not?

Hon. Mr. Nixon: The thing the member and I do share is a respect for the staff in the Treasury of this province. I can assure him I was informed that our tax changes and the overall budgetary policy would improve the economic climate of this province and would increase the numbers of jobs by 108,000.

GASOLINE TAX

Mr. Rae: I have a question for the Minister of Northern Affairs and Mines about the gas tax. He will be aware that the gas tax affects the north in a

very unfair way. He will be aware that northern drivers will be paying about 25 per cent to 30 per cent more than drivers in southern Ontario as a result of the tax hike proposed by the Treasurer (Mr. Nixon).

How can the Minister of Northern Affairs and Mines sit there and stand the shafting of his own constituency?

L'hon. M. Fontaine: Premièrement, je suis ministre des Affaires du Nord et des Mines, mais je ne suis pas trésorier. Je demande à mon ami de poser cette question alors au trésorier de la province (Mr. Nixon).

Mr. Wildman: Was he redirecting? He was redirecting.

Hon. Mr. Nixon: The question referred to my honourable colleague had to do with his constituents in the north. As Treasurer, I consider my constituency to be the whole of the province, and an increase of 0.4 cents per litre is not an unreasonable increase in revenues when one balances and equates it with new programs called for on all sides of the House that will benefit the whole of the province, particularly northern Ontario.

We have already referred to the doubling of the dollars available for northern development. We are paying \$10 million to \$12 million for medically necessary travel. We have already indicated we are going to change the Mining Act in a way that is going to give exploration and mining a tremendous boost in that part of the world. We believe it is a balanced and fair proposal, which should be supported on all sides.

Mr. Wildman: The Minister of Northern Affairs and Mines cannot shift this over and abdicate his responsibility to the north.

Will he explain to us how he, as minister for northern affairs, can justify an increase in the gasoline tax that will hurt northerners far more than the residents of the rest of the province? How does he justify that as a member who is supposed to represent the interests of the north and the communities in northern Ontario?

L'hon. M. Fontaine: Premièrement, je tiens à remercier mon ami de cette question.

I would like to remind him that I go along with the Treasurer that there is other money that we forget. There is money, \$60 million, for municipal roads. There is other money for the rural roads, plus other money for tourism. So the money that is going back is three times what we are going to collect. That is all I have to say at this time.

Mr. Bernier: I would like to follow up to the Minister of Northern Affairs and Mines. He ran around during the last election campaign telling the people of northern Ontario that he would equalize the price of milk and the price of gasoline across this province if his party were elected. What we saw last Thursday is a complete abdication of that promise.

What is he going to do for northern Ontario? What is his answer to northern Ontario?

Hon. Mr. Fontaine: First, I do not have to take anything from this member from across the floor, because he himself did nothing for them. Give me a chance in the next few months and there will be some change in the next budget, but I do not have to take anything from him.

Mr. Pouliot: Does the Minister of Northern Affairs and Mines realize the full impact of the gasoline tax on our first Canadians? Surely the minister must be aware that the communities of Winisk and Moosonee in his own riding are now burdened to the tune of between \$4.50 and \$6 a gallon. How can the minister tolerate yet another increase on northerners?

Hon. Mr. Fontaine: First, there is a difference between Winisk and Moosonee, because I read some of the reports that the price of gas in Moosonee was not \$4. I go along with Winisk; it is a high price.

I would remind my friend that a study was done by the previous Minister of Northern Affairs, the member for Kenora (Mr. Bernier), of the high costs in the north and he did nothing about them, but in the next few months we are going to revise this.

Mr. Bernier: We heard that in May.

Mr. Gregory: Why does the minister not resign?

L'hon. M. Fontaine: Pas du tout. Assieds-toi. Sit down for a while.

We are going to try to work our way towards a better price in the next while. The member has to believe in me. We are going to work together towards that.

AD VALOREM TAX

Mr. Foulds: I have a question for the Treasurer. He and his leader made a commitment last spring to freeze the ad valorem gas tax; not to repeal it and replace it with a higher tax but to freeze it. How can he now institute a tax that increases the tax on gasoline and hits everybody in this province, particularly the residents of northern Ontario?

Hon. Mr. Nixon: I am sure the member is aware, having followed the discussions in this House for a number of years, that the Liberal Party has long been adamantly opposed to the ad valorem type of tax for gasoline. Without any kind of consultation with anybody, our position has been clear on that item. The old ad valorem tax was frozen for more than a year. We have replaced it with one that leaves the responsibility with this House to establish the tax on gasoline.

We believe that 8.8 cents per litre is not out of the way. I simply ask the member to look at what they have done in Manitoba, to pick a province at random, all of which is above the latitude of southern Ontario. Their new tax is 8.9 cents per litre.

Interjections.

Mr. Speaker: Order. Would the members allow their colleague to ask a question?

2:30 p.m.

Mr. Morin-Strom: Surely the Treasurer must recognize that northerners face not only a colder climate but also longer distances to travel, and their businesses face considerable competitive disadvantages with businesses in southern Ontario. Northern consumers and businesses now are paying eight to 12 cents a litre more than those consumers and businesses in southern Ontario.

By increasing the tax on gasoline, is that not further accelerating the deindustrialization of the north?

Hon. Mr. Nixon: I trust not. I began my salary-earning career working in the home town of the member for Sault Ste. Marie (Mr. Morin-Strom). The way they paid teachers in those days, I could not even afford a car. To go back to those antediluvian times, the road between Sault Ste. Marie and Sudbury was not even paved.

I can assure the member that, far from attempting, either deliberately or by mistake, to deindustrialize northern Ontario, we have made tremendous commitments of dollars—far more than would be extracted from the good citizens of northern Ontario in paying their gasoline tax—to improving job opportunities for young people and others in northern Ontario, for programs that have already been announced.

We want to do the best we can for the consumers of northern Ontario and those right across this province. We also know that northerners, as well as other taxpayers, want to pay their share of the cost of the programs that will benefit them. It was my judgement that this sort of balance is the kind of thing that would be

welcomed in the north and I hope that will be the case.

Mr. Harris: Obviously the Minister of Northern Affairs and Mines (Mr. Fontaine) has not had any input into this budget or the Treasurer did not listen to him. The people of northern Ontario are delighted to pay their share. They are just not happy about paying more than their share. They are not happy about broken commitments on freezing gas taxes, now increased by up to 8.8 cents.

Earlier, the Treasurer talked about the ad valorem aspect. He wanted it removed. Now that all the experts are saying world gas prices are coming down, the advisers, who obviously did not include the Minister of Northern Affairs and Mines, the advisers behind this budget, the people who were behind the MacEachen budget, obviously the same people, did they tell—

Mr. Speaker: Order.

Hon. Mr. Nixon: I consulted with many people, including many northerners. The minister and I discussed the need for northern development funds which were provided in this budget. So there can be no misunderstanding based on the numbers the member was batting around a moment ago, the increase in the tax is 0.4 cents per litre for unleaded fuel. If you buy premium, it is just 0.2 cents per litre. Driving the kinds of cars that the Leader of the Opposition (Mr. F. S. Miller) sells, it probably is quite an important matter.

We feel this is not an untoward increase but one that sensible citizens everywhere are prepared to pay, particularly the northerners who—I would not say in return, because they merit and have earned all the improvements this budget has given them—were provided with the medically necessary travel, the doubling of the northern development fund, the provision of jobs for young people, and the removal of the onerous provisions of the mining tax that the Tories were asked to change for so long, the famous John White tax they could never bring themselves to change.

Mr. Speaker: Order. Final supplementary.

Hon. Mr. Nixon: With these innovations, the northerners know they now have a friend at Queen's Park in this government.

Mr. Martel: Baloney. Obviously the Treasurer was not in the north on the weekend, because the people objected to his gas tax.

Hon. Mr. Nixon: What did they think about the removal of the tax on a dollar's worth of food?

Mr. Foulds: They were not crazy about that either.

Mr. Martel: Even McDonald's cannot have a 99-cent sale in the north because transportation costs to get the material there are too high.

Mr. Speaker: Was that your supplementary?

Mr. Martel: No, it was not. The Treasurer asked a question and I answered.

Mr. Speaker: Oh, then we will go on with the next question, will we?

Mr. Martel: Since the Treasurer does not ask southerners to pay for their own programs in the way he is now trying to tell us he is providing them in the north, and since, according to the oil companies, the cost of transportation is not the key ingredient in getting gas to the north, can the Treasurer tell me when he is going to appoint the commission we talked about in the accord to find out why we pay 12 or 13 cents a gallon more in the north and get rid of that nonsense in the future?

Hon. Mr. Nixon: The review of gas prices in northern Ontario as compared with Ontario as a whole is well under way. I was hoping the results of that review could be tabled in the House in the very near future.

Mr. Martel: Early in the fall?

Hon. Mr. Nixon: No. The member, along with other northern members, has talked about this disparity and it is an extremely significant, important thing. The House is aware that drivers of motor vehicles in the north already, appropriately, pay a lower licence fee. There is already an indication that these differences can be recognized and that is important.

I do not want the member to give the impression that I have indicated northerners are paying for their own programs. As a matter of fact, the revenues out of the north exceed those that go back into the north. There is no doubt about that.

Interjections.

Hon. Mr. Nixon: If it were not for the depredations of the New Democratic Party in Sudbury, it might even be better. However, as far as I have seen over the years, the revenues that have come out of the north have far exceeded the amount of money that has gone back in. I would be the last one to talk about any region of the province paying its own way. We have inherited many problems from our predecessors and associated—

Mr. McClellan: And some they have created themselves.

Mr. Bernier: The minister has all the answers.

Hon. Mr. Nixon: They know it is correct. They know what is coming.

Mr. Foulds: He has created this problem for himself now.

Mr. Timbrell: I hate to get into the middle of a domestic.

Mr. Speaker: Then why not ask a question?

Mr. Timbrell: Yes, I would like to do that.

An hon. member: A lover's spat.

Mr. Timbrell: A lover's spat is right.

RENTAL ACCOMMODATION

Mr. Timbrell: I would like to turn to the subject of housing and ask the Treasurer a question, in the absence of the Minister of Housing (Mr. Curling). I am sure he recalls the many expressions of concern on this side of the House since the beginning of this session about the very low vacancy rates in Metropolitan Toronto and province-wide, the recent reports of the extraction of key money and all that goes with that, and the lack of employment for many in the trade.

The Treasurer is no doubt also aware that in recent days the builders and landlords have confirmed that the number of units to be constructed in 1986, even if the maximum and most optimistic figures were to be achieved, will fall very far short of what is needed to save us from a social disaster.

Will the Treasurer tell us today what additional measures he is prepared to take to ensure that, in the fall of 1985, sufficient new rental housing starts will be planned and committed for the 1986 building season to save us from all the ill effects of the government's policies as enunciated today?

Hon. Mr. Nixon: It is our responsibility to spare the community from the ill effects of policies we have inherited. There is no doubt about that.

Mr. Gregory: What is the minister going to do when that argument wears out? It is a matter of time; three or four months.

2:40 p.m.

Hon. Mr. Nixon: I want to set straight something that was a part of the member's comment. The questioner would know that the budget contains provisions for 10,000 new low-rental facilities to be built over the next three years, plus an additional 5,000 which will be

built by the private sector with assistance from the budget I read last Thursday.

Over that period of time, it is hoped there will be 30,000 jobs in construction that will be a part of the overall program. We are aware that the waiting list is larger than that, but we consider this a good, workmanlike approach to meeting the demands as we see them emerging.

Mr. Timbrell: The government's figures in its own forecast indicate the need for more than 39,000 new rental housing units by the end of 1986. They also show, even with what is in the budget, no more than 20,500 units, if they are all followed through, will be built in 1986. Major builders such as Bramalea have recently cancelled projects for 1986 and specifically blamed it on the policies of the Liberal government.

Can the Treasurer confirm it now is the policy of the government, in the words of Mr. Sean Goetz-Gadon, executive assistant to the Minister of Housing, or whatever he does, to count on the need for accommodation being adjusted "as renters choose to double up, stay with their parents or find other ways to deal with the shortage"? That is the quote in this morning's *Globe and Mail*.

Mr. Speaker: The Treasurer. Order.

Mr. Timbrell: Is that the Treasurer's policy, proving he clearly does not have a commitment to provide enough new rental housing?

Hon. Mr. Nixon: I am sure members are aware that the federal government also has very useful programs designed to assist with housing in this province. While the member may be prepared to dismiss them out of hand, certainly we are not. Also, the member is prepared simply to wipe out the private sector completely, and we are not.

Mr. Timbrell: The Treasurer did in his budget with his housing policy.

Hon. Mr. Nixon: No, not at all. The members opposite are gloom and doom; they are nay-sayers. We are much more confident about the health of the private sector. In Ontario we are providing the kind of leadership in this connection that has been lacking for so long. We believe these initiatives are going to lead to a suitable solution to the problems we inherited.

Mr. McClellan: In view of the disquieting and even ugly rumours that have been circulating over the last two days that the new president of Canada Mortgage and Housing Corp. is going to be our dear friend and former Minister of Housing, the member for Ottawa South (Mr. Bennett), and in the light of that hideous

prospect, which will undoubtedly lead to the complete demise of federal social housing programs in Ottawa as it did in Ontario in 1978, would the Treasurer consider doubling his housing budget?

Hon. Mr. Nixon: Was part of that rumour not that this was the deal our colleague made to support one of the leadership candidates? Nothing like that? I have not seen the member for Ottawa South in the House for many days. I have heard and read the rumours that he may not be with us much longer. We cannot wait to have a shot at that by-election too. Do any of the rest of the opposition members want federal jobs? Hop to it, then.

In responding to the question of the member, asking if we are contemplating doubling the program, I wish the numbers were higher. With the revenues we have been able to raise and with the program we put before the House, we believe this is the best we can do. On the other hand, if revenues appear to be more buoyant than we see them at this time, we might be able to give some positive consideration to looking at those figures as the year goes on to see what we can do, particularly with the leadership of my colleague and with the response we still hope will come from the federal government and the private sector.

We are confident that although the problem is certainly not going to go away, it will be substantially alleviated by our initiatives.

EMPLOYEE HEALTH AND SAFETY

Mr. Martel: I have a question for the Minister of Labour. He looks so healthy today. Is the minister aware that in 1983-84, the ministry issued 48,000 orders under inspection of fatalities and accidents alone? There were 4,800 repeat orders, which is a licence to continue to violate the act, and there were only 67 convictions, all of which tells me that companies know they do not have to worry about the Occupational Health and Safety Act in Ontario.

Is the minister prepared to table the documentation regarding Valenite-Modco? Can he tell me the number of orders issued from 1974 to 1985 and how many of these were repeat orders? Will he table the legal opinion, which apparently he is not prepared to do, from the Attorney General (Mr. Scott), saying he cannot prosecute? If he does not, it kind of smacks of a coverup.

Hon. Mr. Wrye: The member has asked a number of questions. Let me deal first of all with the comments he makes in terms of the issuing of

orders, the reissuing of orders and the number of prosecutions.

At my request, a full review of the policy of issuing orders has been under way for some months and is nearing completion. As a result, preliminary recommendations on a new prosecutions policy are before me now and I expect to have some changes in the near future.

I will get to Valenite-Modco in a second. I have indicated that this minister believes—and this speaks to Valenite-Modco and the whole policy of issuing orders and then reissuing them—that orders should be issued and should have terminal dates. By that date, the order has to be met so that the company must be in compliance. Without indicating to the member the final detail of the order, that is part of the overall policy on orders that this government is putting in place and will have in place shortly.

As it pertains to Valenite-Modco, I can get that specific information. I believe the total number of orders is 28 or 29. The orders were reissued in many cases. I do not have the exact number, but I will get that for the member and I will give him some detail not only about the plants they were issued for, but also on the locations and the machines within the plant. I can share that with him.

With regard to the legal opinion, I can tell the member that in discussions with my colleague the Attorney General it was requested that the opinion from the Ministry of the Attorney General remain confidential, and it shall.

Mr. Martel: This minister is no different to Ramsay.

Hon. Mr. Wrye: My friend may suggest that it smacks of a coverup. I can only say to him that the opinion of the Ministry of the Attorney General and the opinion of the legal branch of my ministry were one and the same, and that is that the company should not be charged.

Mr. Rae: You cannot enforce your own laws. That is what it shows.

Mr. Speaker: Order. I think that was a very good example, I would point out to all members, that if you try to place three questions in one question you will get quite a lengthy reply.

Mr. Martel: I got the answer I wanted. He is not going to do anything.

Mr. D. S. Cooke: I would like to ask the minister—and I ask this question on behalf of a lot of people in Windsor, but specifically on behalf of Larry Girard, the victim of this Valenite-Modco case—if he does not have the guts to lay charges against Valenite-Modco in a case like

this, where in the hell is the justice for people like Larry Girard, a 29-year-old who has hard-metal disease? Will he not reconsider his position to lay charges?

Mr. Speaker: Order. The member has asked the question.

Mr. Martel: They knew for 10 years they were doing it to him.

Hon. Mr. Wrye: I will try to restrain myself. I do not need a lecture from that member as to what—

Mr. Mackenzie: He is not much different, restrained or otherwise. He is another Ramsay plus.

Mr. Speaker: Order. I would like to remind the minister that the proper way is to address the reply through the chair.

2:50 p.m.

Hon. Mr. Wrye: The government has already indicated its new treatment of this issue in a way different to that of the previous government on two occasions, the first being in July when four machines were tagged and shut down because the company was not in compliance with the section 20 order and no exemptions were given.

As I am sure the honourable member knows, the company and the workers asked this minister for an exemption from the section 20 order in respect of the closing of the old plant and the opening of the new plant. This minister indicated to the company and to the workers at a meeting in my boardroom that this exemption would not be given, that they should get on with the job and follow the section 20 order. Indeed, I am told the company moved its location to the new plant on the weekend and that the section 20 order has been complied with.

I apologize for losing my temper briefly. I share the member's deep concern. I have met Larry Girard and his wife. I think we have, in a sense, an enormous human tragedy. He is a young man who is obviously very ill, and there are some very real problems. The program last night raised a number of questions, and I am seeking answers to those questions as well.

Mr. Gordon: Given the fact that the minister is unwilling to prosecute, is he aware that Dr. Raphael Morey, an industrial hygienist for the United Auto Workers, has said that the type of mask the Ministry of Labour has demanded be worn by Valenite-Modco employees is exactly the type of mask that should not be worn in the presence of cobalt dust? Can we count on the minister to issue an order today, to talk to the

company and to see that proper masks are worn until the new plant is completed?

Hon. Mr. Wrye: First, I want to indicate to my friend, who raised the matter of my absence last week, that I do apologize for my absence. I know he will understand that I was ill. It is certainly not this minister's view that he should be away and shirk his responsibilities here in the House.

I know the honourable member's question arises out of the program Monitor last night. I am informed in a preliminary way—and I do not have final information on this—that the mask that was shown was not worn in those areas of Valenite plants 3 and 4, I believe, where the exposure potential to cobalt dust was the most extensive. In addition, I did indicate in my answer to the member for Windsor-Riverside (Mr. D. S. Cooke) that plant 4 is now shut down and a new plant has opened with extensive state-of-the-art engineering controls for ventilation.

Finally, I would simply say to my friend that I find all this interesting in that the only tough action that has ever been taken against Valenite-Modco was not taken by that party over there, but it was taken by this government after it took office.

JOB CREATION

Mr. Gillies: My question is to the Treasurer and it returns to the issue of jobs in our province. Every Ontario budget since 1979 has introduced specific programs to train, retrain or employ unemployed people over the age of 24, that is, until this budget.

What specific programs will the Treasurer be undertaking to provide work, training or retraining for 386,000 people over the age of 24 in this province who are unemployed and do not qualify for the government's youth employment programs?

Hon. Mr. Nixon: The honourable member will know that the budget calls for an enrichment of the funding for colleges, universities and school boards substantially in advance of the year when the dollars will be spent, so that proper planning can be made. We feel that by correcting at least some of the damage that has been done because of underfunding, we are making places and training facilities available for the people to whom the member is referring and who are a concern for all of us here.

I would also point out to him that the numbers of jobs implicit in the budget and in the fiscal projections I have already given to the House would indicate there will be 108,000 new jobs,

plus the 30,000 in construction. This should bring the level of unemployment, which is too high at 8.1 per cent, down to a lower level, which is still too high, but we expect it to be 7.7 per cent in the coming year.

Mr. Gillies: With respect, I am not asking about jobs implicit in his budget. I am talking about direct job creation. In his prebudget consultation, he was asked by groups, and by Sudbury region in particular, to bring in job creation programs for some areas that have higher than average unemployment. There is nothing in the Treasurer's budget that is a successor to the Canada-Ontario employment development program or the enriched skills development fund.

I am specifically asking him what programs he will be introducing to help train, retrain and employ those hundreds of thousands of people who have been displaced by technological change or by changes in the marketplace and who want to get off social assistance.

Hon. Mr. Nixon: We hope the buoyancy in the economy is going to improve job opportunities, not of an artificial nature but of a real and long-term nature. In this connection, I have already indicated the improvement in the employment picture that we project through this budget. It is true that the so-called COED program, which was a good one, is not being directly funded in this budget. However, we are confident that with the additional funding for municipalities, school boards, hospitals and the post-secondary education level, we are injecting sufficient funds into the economy to make training opportunities available for the people the member is referring to.

SOCIAL ASSISTANCE

Mr. R. F. Johnston: I have a question for the Treasurer, going back to the question of the premium assistance plan and the lack of addressing that problem in the budget.

When he pulled the budget together, was the Treasurer aware that the cutoff figure, the taxable income at which a person has to pay a partial premium, is only \$3,001 for a single person and \$3,500 for a working family, and that this has not changed since 1981? Was he aware of that before he struck his budget? Did he realize that he could have picked up the portion for the 8,000 people on partial assistance this last year for only \$1,563,000? Does he not think that would have been an important gesture within his budget process?

Hon. Mr. Nixon: Yes, it would have been. Our party has expressed its concern at the level of Ontario health insurance plan premiums. All we were able to do this year, for the first time in many years, was to freeze the premiums at their present level. We did not change the support level as it was previously. We are hoping in subsequent budgets that we will specifically reduce the premiums, as was our political promise. I wish I could have done more. I know that kind of thought will not get me much further than expressing it in this House, but the member makes a point that is valid.

Mr. R. F. Johnston: My concern is with the question of priority. People like myself are happy with the freeze for people who are paying the full amount and can afford to pay it. Is the Treasurer not aware that for the first time, because of the increase in the minimum wage this fall, minimum-wage workers will now have to pay 50 per cent of OHIP premiums?

That means for every \$60 taxable increase they get a month, they are going to have to pay the Treasurer back \$15 for their OHIP premiums. He is taking too much back. Is it too late for the Treasurer to consider a program specifically designed for premium assistance? It is not going to cost that much money to address this problem, which affects some of the poorer working people in our province.

3 p.m.

Hon. Mr. Nixon: I do not suppose it is ever too late for those matters, but the budget is drawn in such a way that the cash requirements, which are significantly high, are established. Anything we do beyond that will change those cash requirements. Any matters that would add costs to programs or in any way reduce revenue have to be considered as far as the bottom line is concerned.

On a more positive note, I expect we are now not much more than five months away from getting back into the regular budget cycle. At that time, the tax changes I have proposed to the Legislature may very well be in place. This improvement in revenue, as we get into the new calendar year when the personal income tax changes go into effect and then into the fiscal year when certain other changes go into effect, as people have pointed out, will add about \$700 million to our revenues.

This should give us an opportunity to be a little more aggressive and optimistic as we contemplate the kinds of programs the member is referring to. This depends quite basically on our expenditures not being increased in any huge

amounts and, at the same time, our revenues not being eroded unexpectedly.

Mr. R. F. Johnston: They are not the ones who should wait.

Hon. Mr. Nixon: I am taking it seriously. I am taking both aspects of it seriously.

Mr. R. F. Johnston: I did not say that. I said they are not the ones who should wait.

Mr. Speaker: Order.

Mr. F. S. Miller: The Treasurer stood there a moment ago and said, "It was my hope and promise to eliminate OHIP premiums"—I think those were the words he used—"but I have done all I can in this House and I know that will not work too well, just shrugging my shoulders." It certainly will not.

The Treasurer talks about restoring the confidence of people in government. Yet he went around with his Premier (Mr. Peterson) in the last election campaign promising not just an improvement in premium assistance but the abolition of OHIP premiums. He now tells us he cannot keep his promise. What promises can the people of Ontario expect him to keep?

Hon. Mr. Nixon: The Leader of the Opposition is rather plaintively asking what promises we are keeping. The member knows that the Premier, on the first day this new government took its place in this House, made a statement indicating clearly the commitments we were making for this session.

I have considered it my responsibility to provide the funding in a fair and equitable way, even by raising taxes to pay for those programs. I have stated clearly that it is unreasonable, as far as I am concerned, to expect us to keep all our promises in the very first budget period we come into, particularly when there is only a maximum of five months for the application to be made.

The member refers specifically to health premiums. I say to the House that Ontario has a family rate of \$714 a year; that is what we inherited. The next highest, from British Columbia, which is a paragon of progressive political philosophy, is \$432. Alberta has \$336, and the other provinces have no direct premiums whatsoever. It is going to take us a while to correct the effects of the arch-Tory approach to the provision of services we have inherited. We have a commitment and we are going to do it.

IMMIGRANT SERVICES

Mr. Leluk: I have a question for the Premier. During the provincial election, the Premier promised to provide core funding for immigrants

and cultural minorities. His government has also indicated it will extend on-the-job training in English as a second language to immigrant women.

Can the Premier explain to this House why, under his government, there is \$10 million less than in the previous government's estimates for these and other programs, and why the Ministry of Citizenship and Culture was the only ministry in the social policy field to suffer a cut in funding in the Treasurer's (Mr. Nixon) budget?

Hon. Mr. Peterson: Let me tell the honourable member that this government has a great commitment to the Citizenship and Culture portfolio. It is so important to us that we even have two ministers there; they weigh about the same together as the former minister.

Apart from that, we are looking at the way we can provide new services fundamentally. We have a great commitment to the community groups that are providing services. We have a different philosophy with respect to the provision of services through the welcome houses and that kind of thing, as the member will very well know, and our commitment will never shrink in that respect.

Mr. Leluk: Is this \$10-million cut an indication of the lack of importance this government places on immigrants and cultural minorities in this province? Furthermore, what new programs has this government initiated to extend this critical service to cultural-minority women? Can he assure this House that funding for these service groups will remain in place?

Hon. Mr. Peterson: This government's commitment to women's issues is very deep. The member will be aware that we are working on a number of fronts, such as equal pay for work of equal value, which I notice one of his party's leadership aspirants now supports. I am delighted to see that kind of progressive support from that party. It shows that the members opposite are not completely without some redeeming value. Occasionally we can reach through to them in that regard and get their support. This government has a very great commitment in that regard and will continue to exercise it.

Mr. Leluk: The Premier should put his money where his mouth is.

Hon. Mr. Peterson: What does the member mean, I should put my money where my mouth is? Does he want me to put \$650 million into an oil company? Does that show where my heart is? Just because a dollar is spent does not mean there

is a dollar's worth of results. We will get real results for our money.

Mr. Grande: Will the Premier give an assurance to the House that he will begin to change the trend that the former administration was following, in reducing the budgets to those community services and to community agencies that deliver services to immigrant women for English as a second language and other services, by taking a look at those needs and funding them properly?

Hon. Mr. Peterson: The answer to the honourable member's question is a very clear yes, because it is extremely important to fully integrate women and new Canadians into all aspects of our lives in this great province. I have said before to the member and to others that we believe we should ensure that every single person in this province has an opportunity to make sure that all the governing institutions reflect the real face of Ontario, and it is something we have made a real start at.

It takes a long time to make those changes, but we are very impatient and want to move quickly. We are most anxious to have this specific suggestion of the member and of others who are knowledgeable and care about these particular issues. We want to make sure the funds we expend are used in the most effective and sensitive way. I am one of those who believe the efficacy of a program is measured not just in the quantity of dollars; we are looking at real results in that regard.

If the member for Oakwood (Mr. Grande) and the former minister who asked the original question have specific suggestions on how we can make real improvements, we are anxious to have input from all members in this House.

EDUCATION FUNDING

Mr. Allen: I have a question of the Minister of Education. The Premier (Mr. Peterson) has repeatedly made promises to the parents, property taxpayers, teachers and school boards of this province that during a first term of office he would return to 60 per cent provincial responsibility for funding for education.

When I asked the minister this question a week ago, he replied that on Thursday the first intentions of this government in this connection would be made clear. There was nothing there. Is it the minister's first intention to abandon this commitment so seriously and frequently made to the province?

Hon. Mr. Conway: I must take issue with the honourable member's assessment of the budget

of the Treasurer (Mr. Nixon) of last Thursday, in which there was a substantial commitment to education.

Under the leadership of this Premier and this Treasurer, the general legislative grant for 1986-87 is going to be increased by 5.4 per cent. The cash flow to school boards will be improved substantially in the first quarter of the school and calendar year, something that school boards have requested repeatedly. The Treasurer has committed a special \$25-million capital improvement fund.

In the first budget of this government, the Treasurer has set a very positive course for this government, which is quite obviously intending to support public education to the degree it requires.

3:10 p.m.

Mr. Allen: The question has not been answered. In the lockup, the Treasurer's own officials, when they were asked this question, said: "No. When you work it all through, and all the commitments that have been made by the ministry here and there, there will be no return to, or any steps taken towards 60 per cent funding this year in the province."

The policy is clear: a return in the term of this government to 60 per cent funding. Is the answer yes or no?

Hon. Mr. Conway: I want to say to the member that this Treasurer's budget has been well received by boards of education and school boards in Ontario. I think this House owes a great debt of gratitude to this Treasurer and to this Premier for moving so expeditiously, in their first effort, to meet the needs of school boards. The cash-flow improvements that have been called for repeatedly by school boards and ignored over the years by the previous administration were met by this Treasurer in his first budget.

I want to say to my friends opposite that as we go forward in the next very few days to distribute the additional \$25 million for capital improvements, I hope this government, this Treasurer and this Premier are not going to be complained of when they go into the communities and say: "Here, we are meeting the needs of your children, your teachers and your school boards."

PETITIONS

ROMAN CATHOLIC SECONDARY SCHOOLS

Mr. McKessock: I wish to table a petition which reads:

"To the Honourable the Lieutenant Governor and the Legislative Assembly of Ontario:

"We, the undersigned, beg leave to petition the parliament of Ontario as follows:

"Whereas it is the sincere expectation of more than 500,000 students and staff of the separate school system of Ontario and nearly four million separate school supporters in the province of Ontario; and

"Whereas it was clearly the intent of our forefathers to treat both sectors of our common school system equally; and

"Whereas this intent is evident in successive acts of the Legislature since 1841; and

"Whereas the rights of separate school supporters are now protected under the Constitution of Canada; and

"Whereas deviation from past practice has occurred within the last 20 years, whereby trustees of the nondenominational sector of the common school system have been given the right to administer secondary education; and

"Whereas similar rights have not been granted to the trustees of the separate school sector; and

"Whereas the then Premier, the Honourable William Davis, on June 12, 1984, informed the Legislature that it was the intent of his government to empower Roman Catholic separate school boards to operate secondary schools for secondary students, commencing September 1, 1985; and

"Whereas this intent was unanimously supported by all parties in the House;

"We petition the Ontario Legislature to implement the policy on the funding of the completion of our separate school system without delay in order that it can be applied on September 1, 1985."

"We further petition that this legislation protect the historic rights of Roman Catholics to maintain the special character of their separate schools."

This petition is signed by the parishioners of Saint Joseph's Roman Catholic parish in Markdale and the Mission Church of St. John's at Glenelg Centre, signed by 127 people.

I also have a similar petition signed by 66 people from the Durham-Hanover area.

Mr. Speaker: I might remind the members—maybe the member for Grey was not in—that when presenting their petitions, and some of them are quite lengthy, they are certainly allowed to read them. However, I suggest you read that it was addressed to the Lieutenant Governor, give the number of names that are on the petition and probably, since the meat of the petition is when

you come to the "therefore," if you just read the "therefore" it would be very helpful.

Mr. Leluk: Mr. Speaker, I wish to table a petition containing some 1,500 names of residents from central Etobicoke, from the grand knight of the Kingsway council of the Knights of Columbus.

"To the Honourable the Lieutenant Governor and the Legislative Assembly of Ontario:

"We, the undersigned, beg leave to petition the parliament of Ontario to implement the policy on the funding of the completion of our separate school system without delay in order that it can be applied on September 1, 1985.

"We further petition that this legislation protect the historic rights of Roman Catholics to maintain the special character of their separate schools."

MOTIONS

COMMITTEE SITTINGS

Hon. Mr. Nixon moved that the committee on agenda and procedure of the select committee on economic affairs be authorized to meet following routine proceedings this afternoon.

Motion agreed to.

WITHDRAWAL OF BILL 28

Hon. Mr. Nixon moved that the order for second reading of Bill 28, An Act to amend the Education Act, be discharged and the bill withdrawn.

Motion agreed to.

ORDERS OF THE DAY

BUDGET DEBATE (continued)

Resuming the adjourned debate on the amendment to the motion that this House approves in general the budgetary policy of the government.

Mr. Eves: I am very pleased to have this opportunity to participate in the debate on the budget that we have before the House.

This is a budget that raises the deficit and taxes but does very little to raise the hopes of the people of Ontario, especially the people in the province who voted for the Liberal Party on the strength of its election promises. The most important promises are noticeably absent from this budget. The list of promises unfulfilled in this budget is a long one, but let me offer a few of the highlights.

Dental care for senior citizens and children under high-school age: During the election, the Premier (Mr. Peterson) put the price tag for this program alone at \$50 million annually. During

the election, he was willing to spend \$50 million on just one program, but in this budget there is a total of only \$11 million set aside for improvement to all the community support services for the elderly.

Speaking of community support for the elderly, what has happened to the Premier's promise in his July 2 statement "to place a high priority on implementing homemaker and home support programs" for the elderly? We are still waiting for the details of these high-priority items.

Looking at other election promises for seniors by our Liberal friend, we can see how thinly spread this \$11-million budget commitment will have to be. During the election, the Liberals promised to create a seniors' advocate system throughout Ontario. They promised to expand home care to cover Alzheimer's victims and those who are terminally ill. They promised to provide support to develop more options for seniors living within their community.

Not one of these items has been specifically addressed in this budget, and the \$11 million provided in the budget barely scratches the surface of the funds needed to implement these promises. Clearly, this budget does not address the needs of Ontario's senior citizens or the promises made to them by Liberal candidates several months ago.

Senior citizens are not the only ones with needs that have been ignored and promises that go unfulfilled in this budget. Yesterday, the Ontario Coalition for Better Daycare spoke with members of all three caucuses about issues confronting the providers of day care and the parents who require this service. This group and everyone else in our province who is concerned with day care had a right to expect greater things from our Liberal friends in this budget. After all, they promised great things during the election.

What did they promise? They promised a \$10-million work-place child care initiative to encourage the creation of work-place day care. They promised startup grants for nonprofit work-place centres. They promised that all children who needed subsidized day care would be guaranteed spaces. They promised a \$5-million funding program to ensure that a range of special-needs child care centres would be available; these centres would operate 24 hours to help shift workers, provide short-term emergency care and offer flexible hours for rural workers.

3:20 p.m.

The Liberal Party promised to establish a policy of contract compliance that would require

companies doing business with the government to ensure access to or provision of child care services for their employees. The Liberals promised a \$6-million fund for working parents who do not qualify for subsidy rates but need financial assistance. They also said they were committed to providing grants for loans to child care centres to defray operating costs.

Unless I have overlooked something in this budget, all these promises are missing, just as those for seniors are missing. What the Liberals have done in this budget is to play games with the figures and make it appear as though they have lived up to one of their commitments, the provision of 10,000 new or additional day care spaces. What they have done is add 2,500 additional day care spaces to the 7,500 spaces our government announced on March 20, 1985.

The Liberals knew that those spaces had been announced before the election campaign started. Yet they campaigned on a promise of 10,000 additional new spaces for those in need of affordable day care. Instead we have 2,500 new spaces and some fancy footwork by the Treasurer (Mr. Nixon) and by the Minister of Community and Social Services (Mr. Sweeney) to take credit for the 7,500 spaces announced a full three months before this government even took office. This does a serious disservice to the people of Ontario and to the Liberal pledge of open and accountable government.

Another of the many areas this budget fails to address is that of services to victims of family violence. That is a particularly disturbing omission, not only because of the very serious nature of the problem, but also because the new Minister of Community and Social Services stood in this House in July and told us the figures indicated that child abuse was rising. In view of these figures, I cannot believe that no special measures were taken in the budget to help victims of abuse.

It is also disturbing because in this area many initiatives were also promised by the Liberals during the election campaign. Among those initiatives were promises to support services such as counselling, victim advocacy clinics and the introduction of new standards for transition houses. Not only does this item not seem to be a high priority with the new Liberal administration, it no longer seems to be on the Liberal agenda at all for any type of action.

Another item that seems to have been lost in the Liberal transition to power is the need to improve services to the handicapped. The lack of new initiatives for the physically and mentally

disabled is a glaring inadequacy of this budget. Since his appointment, the Minister of Community and Social Services has said in several interviews that one of his top priorities is to help the disabled to help themselves. Yet there are no initiatives in the budget to help achieve that very important goal. The only reference to the disabled is a promise of increased social assistance payments to handicapped children. While this initiative is certainly welcome, it does not begin to address the issue of self-help that the minister says is a priority.

Another priority the minister has identified is the need to help those who have fallen through our social safety net and must rely upon food banks and emergency shelters, often sponsored by churches and charitable groups, to survive. The minister has said it is the job of government to help these individuals. Yet it seems clear from looking at this budget that the Treasurer of Ontario does not believe it is his government's job to address this need. Instead, he has offered increases in social assistance payments that will not even keep up to the rate of inflation, and very little else to assist the severely disadvantaged in our province.

The litany of broken promises and lack of social policy initiatives that this budget represents leaves me and other members wondering exactly what the people of Ontario have got from their new government. It seems they have got a whole host of new tax increases. Although it has been said before, it bears repeating that the average family will now pay more for gasoline, cigarettes, liquor and spirits, drivers' licences and vehicle registration. They will pay more income tax and they will pay additional tax when they buy a house.

If the people in a family are elderly, disabled or poor, they will not find a friend in this government or in its budget. It is especially surprising to me that if the speech of the member for Hamilton Centre (Ms. Munro) in this House yesterday is any indication, the Liberal Party feels this budget does address the many serious social issues facing the province. In her remarks she said: "The people of Ontario want to show compassion to the less fortunate and they want to remove barriers to equal opportunity. This is the mandate to which Thursday's budget responds."

I would like the member to explain to me and to other members what in the budget responds to the need for compassion for the less fortunate. Social assistance increases that are short of the rate of inflation? How does the budget remove barriers to equal opportunity? Certainly not by

coming to grips with key women's issues or multicultural issues.

What this budget means to the average person in my riding is less money in each week's paycheque, more money spent each week and the delivery of very few of the tax breaks promised in the election campaign.

The average person in northern Ontario can also see that promises to northern Ontario have been broken. Northern Ontarians will now not be seeing a northern tax credit of \$100 per household, as promised in the recent campaign. They will see a northern development program whose total cost equals the cost of the previous Conservative government's northern Ontario regional development program. They will also see less tourism development, which is crucial in many areas of northern Ontario, as a result of a 10 per cent cut to the Ministry of Tourism and Recreation.

This is not a legacy of hope, as the government members would have us believe. Rather, for the disadvantaged of Ontario, for northerners and for the average citizen of Ontario, this budget is a legacy of broken promises and cynicism.

Mr. Ramsay: I am honoured to be able to stand up today as the member for Timiskaming and speak for or against, depending on which side one is on, the budget that was presented the other day in the House.

I want to make it very clear at the outset, and it was apparent in question period today, that as northerners we are very angry about the gasoline tax increase. I have seen the rationale of the Treasurer, and supposedly, with all the taxes calculated, it may come to \$8 a year for the average driver. But there are a lot of circumstances in the north that cause our expenses to be quite a bit higher. I suppose the Treasurer has not been out on those mornings when it is 40 degrees below zero.

Hon. Mr. Nixon: Yes I have. I had to walk, not drive, to school.

Mr. Ramsay: That is it, though. I have to get in the car because the other thing is distance, and I am going to talk about that in a minute. One has to get out in that car, start it up and let it warm up. It takes quite a bit of gas to get her going, and then one has to warm it up—

Hon. Mr. Nixon: I used to trudge up the hill to the collegiate in the Sault. The member would not believe it.

Mr. Ramsay: Listen, I do not want to hear these sad olden-days stories. I have had enough

of that from my parents. Actually, the Treasurer looks like my grandfather.

We drive now; we are on rubber up north now, four wheels and everything, and it takes gasoline. It costs more just because of the climate we live in, but, as the Treasurer mentioned, distance is the other big problem. We do not have that cushy ride from Oakville on the Queen Elizabeth Way to Toronto. When we commute we really mean business up in the north. We are talking about commuting down to the Sherman Mine in Temagami from the Tri-town area, for instance. We are talking about 40 or 50 miles out to mines in Gowganda or up to the Adams Mine in Kirkland Lake. We are talking about distances we have to drive.

In the north, we just do not get in the car on a Sunday and say we want to go out for a drive. We cannot really afford to do that, because we have to drive to get to work. It is a tool we have in order to take care of ourselves. The Treasurer is taxing that tool, and that is why we are angry about it.

Mr. Pierce: No subways?

Mr. Ramsay: That is right. I wish we had a subway. Maybe the Treasurer could put in a subway for us. We would not mind.

The Treasurer wonders why we are screaming over here, but it is the biggest irritation, I would say, of anything that was in the budget. Of any of the daily costs incurred by people in the north, it has to be the gasoline tax that is the biggest irritation. That is the other assumption I would like to put a hole in.

I hope the Treasurer does not go. I am so reminded of the Friendly Giant here. Not that the Treasurer looks like the Friendly Giant, but I wish he would look upon this as a fireside chat. We would pull up a chair for the little one and he could curl up in it and just listen to this.

Hon. Mr. Nixon: I am listening.

3:30 p.m.

Mr. Ramsay: Okay. That is good, because we are concerned about it. One of the assumptions the Treasurer makes when he comes up with the \$8 a year in additional costs from this taxation is that we fill up only once a week in the north. But because of those distances, we are filling up two or three times a week. It was related yesterday by the member for Port Arthur (Mr. Foulds) that the reason we have to go those distances is that we have only four plants to hire over 200 people in the north and we have to get to those plants. We do not have the jobs and we have to go farther. That is why we are angry about it.

I argue with the Treasurer's figures. They concern us a lot more. He had better go back and sharpen his pencil and see how he is going to get the revenues, because he is not going to get that tax increase. We are not going to let it happen here and I am giving him notice of that now. It is not going to happen.

I have finished my little rant. I would like to make the next half of this a little more informative. I would like to talk about some of the tools in the north that we could be given to take care of ourselves. We do not want charity in the north; we want to be self-reliant. We are always being penalized by government taxation. We already have the penalty of geography and we do not need any more penalties in our economic development.

One of the penalties is the mining tax. It is unfair to us that local government is always circumvented when it comes to the mining tax, which goes to general revenue. Because of that and other ways the mining tax works—for instance, with local taxation, we are not allowed to assess the buildings in a mine or in a town that are directly related to the extraction of resources—in Kirkland Lake, a mine will pay less in municipal taxes than a local motel. It is an unfair burden on the local taxpayers there because the mine does not pay its fair share.

I am not saying we have to tax the mine more. I am saying we have to redirect our taxation not so much to the secondary level of government but more to the municipal level, so towns and townships are not always on their hands and knees in the north begging for government grants. We should have the tools to assess and tax the money ourselves so we can take care of our own development.

The other thing about mining tax is that the tax goes to the secondary level of government. It goes into general revenue and we do not see it. We are left with a hole in the ground in the north and that really upsets us. We want to see some of that money put back. That is why on this side of the House we always propose a tomorrow development fund very much like the heritage fund in Alberta.

I welcome the northern development fund in the budget, the \$100 million over five years. That is a good start, but I would like to see something—and we will give them another five months to work on it—that is tied more directly to the extraction of the resource from the north so that something is left, put away in the bank for tomorrow.

If this were done, the one-industry towns that have boom-and-bust cycles, which rip out the hearts of our towns and of our people in the north, would have something to rely on. Then, when we have some ideas about developing secondary industry—related to resource development most probably, because we know we are not going to get a major car development yet but we will have to look at that some day—we will have the money there, in a fund directly related to what is taken out of the north. That is what we would like to see, instead of all those millions of dollars going out, as we have seen over all the past years.

Forestry is another thing that is very important in the north. I would like to see more reforestation for northern Ontario. Obviously, it is one of the bases for many areas of the north. The policies always seem to be established in the south. That is one of the gripes we have, especially in northeastern Ontario where we do not have—the Treasurer promised he would stay and listen to this because it is—

Hon. Mr. Nixon: I will be right back.

Mr. Ramsay: I guess he has to go, but he will be back. Let him go.

We would like to have more control of the forests in the north. I propose that in northeastern Ontario we introduce the idea of a forest authority based on the way Algonquin Park is managed. In the northeast, we do not have the big tracts of forest they have in the northwest where the forest management agreements come into play.

This is something about which I want to talk to my colleague the Minister of Natural Resources (Mr. Kerrio). This is the type of thing we can have as a tool ourselves, especially in the northeast. That would get rid of the problem of confrontation that we always have with the various users of the forest.

We have that problem because we are the closest wilderness to southern Ontario, and there are many competing demands for that forest, especially around the Temagami area. We always have a confrontation when we talk about access roads or spraying programs. If we had a forest authority made up of local people, the owners of the sawmills and some of the environmentalists, tourist operators and all the people who want to use that forest resource would be able to handle the problems themselves. We would have the funds generated from those stumpage fees to replant and manage the resource ourselves the way we see it should be done. This is something I am going to continue to pursue.

I was very disappointed to see the lack of funds put towards tourism. In the year 2000, tourism is going to be one of our biggest industries, especially in northern Ontario. We are endeavouring in my riding to set up local tourist organizations and, relating from the Kirkland Lake tourist committee, we have established a Treasure North Tourist Association whereby we are going to start to develop our own tourist resources as we see fit, especially the Highway 11 corridor in Temagami all the way to Timmins.

We do not feel the big, block, provincial regional sectors of tourism are really doing an adequate job for us in Timiskaming. We are setting up our own association and in that we are going to develop our own tourist attractions because we have finally realized that while we have the beauty of the lakes and trees we also have to put some man-made tourist attractions up there to attract and keep tourists coming to our area.

We need small developments. We would love to have a Disneyland up there, but we are going to have to work on some of the mining towns and recreate the Klondike type of atmosphere in some of our towns. We would like to have more mining tours, such as has been successfully demonstrated in Timmins.

One of our biggest faults in the north is the lack of secondary industry. I am glad to see the Minister of Northern Affairs and Mines (Mr. Fontaine) is over there watching and listening very diligently to my speech because he knows the problems and that is why he is keeping an eye on the business pages of the *Globe and Mail* for his stocks and of course foreign-owned everything. How is Hemlo doing? Is Golden Sector up today? I will confer later with the minister on the stock situation.

We have to look at the development of secondary industry. I think the first way we have to consider that is with respect to what secondary industry should be in the north. At the beginning, it should be related to the resources we have. It is a shame 70 per cent of the mining equipment we use in the north comes from overseas. There is no excuse for that, because we have iron ore deposits and energy and we could be creating that right in the north, which would cut down on transportation costs. Instead of exporting jobs, we could keep and develop them at home. This is something we are going to have to examine. We can look just at the mining sector and create a lot more jobs in the north that really would also affect our balance of payments, about which we are very concerned in this country.

We talk about trading, but we could do a lot if we just made more for ourselves in this country. We have 50 per cent of our forestry equipment imported from overseas. This is something we cannot tolerate. We are going to have to start to develop this industry.

Also we have to develop secondary industry that supplies on a lower scale what we do in the north. For instance, in mining, we now have an example in which we have established an explosives factory in Kirkland Lake. That is where it should be, instead of bringing dangerous goods up the road. We could be developing these things right at the site. Places such as Kirkland Lake and Timmins could be providing the materials and tools necessary for the industry of the north.

When we get those resources out of the forests and ground, we have to be adding value to them. This is something we always overhear discussed. It is a shame to see those trains and trucks going down the road with the raw material because we export our jobs when we do that. We are going to have to stop that and add the value to the product and make sure the transportation rates are not rigged against us so that we can do that in the north.

There have been some developments in that regard and I draw to the attention of members an example in the town of New Liskeard. Actually, I always consider it is New Liskeard, but it is right across from Radley's Hill Road so it is actually in the town of Haileybury. I had better get that straight for the people back home.

The Three H Manufacturing Ltd. plant manufactures furniture which is very similar to the knock-down, put-together type that comes over from Europe. We are able to compete very well with that and this company is not only exporting its product to southern Ontario and Quebec but also into the United States. It is a prime example of using a resource from the north and from the locality. We can produce it with local labour and be competitive. That is the kind of thing for which we must strive.

How do we get there? One of the ways we can do it is to have an industrial strategy because we never have really sat down and said, "What are we going to do in the north?" We have just let it be the colony. It is a great place to extract the stuff and bring it down the road. We have never really thought about it and sat down and done some planning.

3:40 p.m.

I am not one for having the government run everything and I think business can do a lot of

these things, but we have to sit down as a government and plan and decide the way we are going to go. Then we can let business do some of these things, but we have to plan it. Let us make a plan for the north so we are not always on our knees begging to the south.

We are starting to do that in developing economic development committees in the north. There is a very good example of an economic development commission in Kirkland Lake, which has been established for the last three years with the help of the Ministry of Northern Affairs and Mines. I must say we have been very grateful for that help. The past government did see that this funding was necessary, and this is a good step, but we have to carry on.

I have been working with some of the other groups in the north. My executive assistant attended a Timiskaming Municipal Association meeting the other day and brought forward the idea that the Timiskaming Municipal Association should start getting into the business of developing an economic development committee and council for the Timiskaming riding as a whole so we are not competing with each other within the area. They have looked upon that idea very favourably and are on their way. I am really excited about that. We are going to start to become self-reliant and do some of these things for ourselves in Timiskaming.

I have talked about all these things for one purpose. Without this development, we do not have any jobs in the north for our children. That is the greatest tragedy and the greatest reason I am here today. It makes me sad when I know many of our children do not have a future in the north the way it is structured today. There is no place for them to go to work. They should be able to get the education they want in the north and they should be able to find the work they want there so we can build a society up there and not a colony or satellite of the south. That is the greatest tragedy there.

We have to be working at this at all levels of government and we have to be working at it in a co-operative manner. We have to be doing it with the input of government, labour and business. We have to be working together to solve this problem. If we do not, our children will continue to leave and there will not be any of us left to worry about.

Mr. Sargent: I welcome this opportunity to say a few words about this budget. I want to congratulate the member for Timiskaming (Mr. Ramsay) on his first major speech in the House. It was well done. I have been through

about six or seven of these budget debates and the knowledge the new members have gained in such a short time is a credit to all of them.

Listening to these politicians talk has made me think of the story about a US senator who years ago visited a small town and was invited to a public hanging. It was an honour to have such a dignitary at such an affair, so the mayor of the town asked the condemned man if it would be all right to ask the senator to say a few words before he was hanged. The condemned man said, "Yes, it is all right with me, but could you hang me first because I have already heard him talk?" I think that is the way a lot of people feel when I get up to speak.

Mr. Martel: That is not true, Eddie. You have to be careful now you are on the government side of the House.

Mr. Sargent: I will talk about Whitehorse if the member does not keep quiet.

I think our Treasurer has made an all-time record in provincial politics, as the member for Sudbury East (Mr. Martel) and everybody will agree. His budget has received support and acclaim from all the major newspapers and media in Ontario. Somebody must be right. The Conservatives will not recognize a fact which—

Mr. Runciman: Grit rags.

Mr. Sargent: We will get to the member in a minute.

The province is lucky to have the Treasurer's knowledge and dedication at a very important time in its history. He has done a masterful job of judging the climate and the needs of the people.

Having heard some of the Conservative members talk about this budget, as the former Premier and former Treasurer, the member for Muskoka (Mr. F. S. Miller), asked this morning, who is telling the truth? I do not know how he could say that, realizing that the former Premier and Treasurer was the Treasurer when there was a transfer payment of \$500 million coming to Ontario from Ottawa and the government turned it down. They did not want it. They would not accept it because they said Ontario was not a have-not province. It is very expensive pride when about 250,000 of our youth are walking the streets. During the last 10 years of Tory rule, they have been faced with these things.

It must be very embarrassing for members of the opposition, the Conservatives, to have the Toronto Sun, a well-recognized Tory newspaper, say this morning editorially:

"Farmer Bob took a few calculated risks with Ontario's finances last week. It looks like some of them have already paid off.

"Nixon demonstrated hard-headed savvy as the provincial Treasurer when he gambled (a) that the province's valuable triple-A credit rating wouldn't be forfeit although he's allowing the deficit to rise; (b) that the NDP would button its lip and back the package; (c) that the public would roll over and play dead, relieved that the tax bite wasn't worse.

"That's just about what happened. There's even been some praise of Nixon's housecleaning."

Mr. Stevenson: He pulled the wool over everybody's eyes.

Mr. Sargent: Wait a minute now. Just hear this. It praises the government's housecleaning, and away we go.

It talks about inheriting the debt of Suncor. I have been in politics a long time, as a lot of members have, but I have never seen anything so crummy and so obviously corrupt as that deal. It was a washroom deal. Suncor is in the same building as the Ministry of Energy. When they put the deal through, only three members of the cabinet knew about it. The then Treasurer and former Premier, the member for Muskoka, did not know about the deal.

This was engineered by a young fellow named Kierans. Kierans is a former Deputy Minister of Energy; I believe that was his title. He arranged the deal with this Suncor group, which was not even listed on the stock market. The government invested \$650 million and had to go out and borrow the money to do it. What is the form in Smith Barney? They say: "We make money the hard way. We earn it." The members opposite make money the hard way; they borrow it to buy Suncor, a corrupt deal. Let us see how corrupt it was.

There is a commission due to McLeod Young Weir Ltd. for one per cent of the deal, which would have resulted in a \$6.5-million commission to McLeod Young Weir. They turned down the commission. As a result, Mr. Kierans became president of McLeod Young Weir, and we are holding the bag for whatever it is, \$350 million or \$650 million. Our Treasurer had to assimilate that kind of thing and clean up the deck. We have a clear pattern here of total disregard for public funds.

Our debt now is about \$24 billion, and Ontario Hydro has about \$20 billion to \$30 billion. Borrowing is simple, but it is tough when one has to pay it back, and that is exactly what is happening here.

3:50 p.m.

Someone has sent me a very interesting note. I do not totally agree with it, so I will not read it.

Mr. McLean: The member is wanted on the telephone.

Mr. Rowe: There is a long-distance call for the member. Pierre Trudeau.

Mr. Sargent: I think I know who it was.

George Bernard Shaw once said, "A government that robs Peter to pay Paul can always depend on the support of Paul." Even in Ontario, Paul did not come through the last time and all the Peters got together and booted the Conservative Party out of office.

I am happy about things that are happening to the farmers up my way. There are about a third fewer farms up for sale among farmers in the major beef cattle area. They were dying like flies. We could not get the Conservative government to do a thing for our farmers. Here is a whole list of things that are going to help farmers:

We are funding them for \$50 million through the Ontario family farm interest rate reduction program to assist them in reducing the cost of their long-term debts to eight per cent for this year. We are furnishing \$20 million for Ontario's share of this year's payments under the tripartite stabilization plan for red meat producers. A \$6-million transition fund will be established to assist tobacco and other farmers leaving the agriculture industry.

Then we have a long list of transfer payments—increases in all of them—in the areas of day care, the Ontario student assistance program and capital support of \$67 million for education. Funding for provincial support for separate secondary schools will rise to \$107 million. These are all part of a picture that the opposition has the audacity to say is not good business. I do not think I am going to convince the members on the other side of the House of anything, but I want to say this—

Mr. Barlow: It is different when the member has to defend it, is it not?

Mr. Sargent: The member for Cambridge is right. There is always a smart guy in the audience.

Will Rogers once said, "I have never met a man I did not like." I have never met a man who did not like or trust the Treasurer. I am sure the members agree with that. I could talk all night about this budget, but the members on the opposite side of the House are just whistling Dixie. That is why we had to close down the House yesterday. Nobody had anything to say against the budget. Luckily, we have some more

speakers today. I hope they have some more to save face.

I have enjoyed this chance to say a few words of truth for a change.

Mr. Stevenson: I am pleased to follow the Sermon on the Mount, or whatever it was—Mount Forest or Owen Sound. I know Mount Forest is not in the member's riding.

I am very pleased to join the discussion on the budget, to state the disappointment I have in the budget and to relate the disappointment that a number of the people from the great riding of Durham-York have mentioned to me.

First, I am going to address some of the more local issues that have been brought to my attention about the budget. Then I will get into a somewhat longer discussion on the agricultural impact of the budget. I want to try to get through the smoke and mirrors and the shell game that is being presented to us by the Minister of Agriculture and Food (Mr. Riddell) on the significance of this budget to agriculture and attempt to show that there is very little new money in this budget for the agricultural industry.

To go briefly into the situation as it affects Durham-York, which is a rural riding with a number of small towns and farms, agriculture, tourism and small business are the economic heartbeats of that riding.

When we go through the budget and look at transportation, which is a very important ministry for rural areas, we see there is a promise for \$8 million of new money per year for municipal roads; yet the Ministry of Transportation and Communications budget has been cut by \$34 million a year. There has to be a bit of sleight-of-hand going on there.

Mr. Andrewes: They will build roads in Grey-Bruce.

Mr. Stevenson: We look at the many commuters in the riding of Durham-York who work in Oshawa or the general Metro Toronto-Golden Horseshoe area and at the impact on those many workers. We see the gasoline and diesel fuel tax increased and the cost of motor vehicle registrations and drivers' licences increased. Very clearly, they are not overjoyed with the budget.

The housing area is not as critical in many rural areas as it is in some of the more urban areas, particularly Metro Toronto. However, even on a modest home, the transfer tax, half of one per cent, amounts to a few hundred dollars. That is just additional discouragement for people who might wish to buy a house, particularly first-home buyers.

In many cases, young couples who cannot afford a home in metropolitan areas, urban areas and rapidly growing areas look to the more rural parts of the province to buy their first house. That is quite common in the part of the country I represent. That tax is further discouragement to buying a new home and further discouragement to moving out of the already crowded apartment dwellings that we have available.

To go fairly quickly through some of the major areas—I have mentioned tourism, small business and agriculture—the tourism people in my riding are quite unhappy with the performance of this government right from the time it took office, and are particularly discouraged now that they see the budget. In a riding with the south shore of Lake Simcoe and the south shore of Lake Scugog, tourism is a very important industry and many smaller tourist operators exist there. We have a few large operators such as the Seven Mile Island resort and the Briars Inn resort, which is quite famous in the Jackson's Point area.

The first problem in the general tourism area, even though the program is handled by the Ministry of Natural Resources, is the small-marinas program the Tory government previously had in effect. We currently have two marinas wishing to expand in the riding of Durham-York. One was part-way through making an application for that program and now there is no funding. I suppose the program may be renamed and come out in next spring's budget or something like that, but they are going to lose one construction season.

One must understand that many of the hard services, such as retaining walls, etc., are put in during the winter when they can get equipment out on the ice, so they can work both off the land and the ice. These approvals are not coming forward. The program is not in existence any more and these places are not going to be able to expand this year. As a result, more people are going to be unemployed in that particular area.

4 p.m.

I also received a letter today from a vacation-farm operation in my riding, Woodnewton, which is quite a well-known operation near the village of Goodwood. Many people go there, particularly to cross-country ski in the winter. A number of people have farm vacations there. They wrote to the minister stating their great concern over the apparent cut in assistance to their operation, particularly the cut in the moneys that was going to be made available by the Ministry of Tourism and Recreation for information or advertising assistance in promotion of the

vacation-farm operation. Clearly, it is another move by this government to reduce the support for a very important industry in this province, particularly in the area I represent.

The large resort industry is also unhappy with the co-operation it has been getting and the hearing it has been getting from the ministers involved in this government.

In the small-business area, the new inventory tax will hurt. I suspect many of the small-business people really do not know yet what the impact will be. They will wait until they sign their cheques when they pay their taxes and suddenly realize that more money has gone to the government, and then they will be discouraged. It is just a matter of reducing entrepreneurship among these small-business people and discouraging hiring of many of the young people they might well otherwise have employed through their busy season.

I want to switch now to the agricultural area and very briefly compare a few of the promises that were made by the present Premier prior to the election with what we can safely say is now the new spiel for Ontario farmers.

The Liberals promised 22 planks in their agricultural platform, of which they have lived up to maybe one or two. They were going to bring into effect a capital loans program, which would have been of major use to the farmers now because their incomes are very low as a result of low commodity prices. Certainly the Treasurer will be aware of that.

The physical facilities on farms are deteriorating rapidly because the income from the marketplace cannot keep up with the capital needs on the farm. A loan program or a grant program to help maintain the physical structure of Ontario farms would have been welcome. Was it in the budget? No, it was just in the list of promises.

Mr. McKessock: What about the \$76 million?

Mr. Stevenson: I will get to the \$76 million. I will gladly come to that. In fact, we will spend quite a bit of time on the \$76 million. The honourable member will be delighted to see how much of the \$76 million is real.

The government was going to cover 75 per cent of the tile drainage loans. Somehow or other, I guess drainage is not as important in the fall of 1985 as it was in the spring of 1985.

The government was also talking about expanded markets, supporting programs for storage facilities, processing plants and improved market intelligence. That is difficult when it is coming from that side.

There was going to be increased research in food storage and new crop development. Where is that in the budget? Not only is it not in the budget, but the government has also dumped the \$12 million a year that was coming through the Board of Industrial Leadership and Development program. Fine, get rid of the word "BILD." It does not bother me that the title "BILD" is gone. Maybe we could help the government. Perhaps it could have called it Liberal Improvement and Mechanical Processing or something. Give it the acronym "LIMP." That would fit right in with the budget.

Mr. Andrewes: They do not understand.

Mr. Stevenson: LIMP. What is wrong with it? That would have fitted very well with other agricultural programs in the budget. But here is this big promise for all these things. Number one, not only is it not in the budget, but also they canned the \$12 million a year, plus or minus \$1 million or \$2 million—I cannot remember exactly—that had been flowing for the past five years.

Where is the crop insurance program that was to have been established so that farmers could insure part of their crop but not other parts of the same crop, one farm versus another operated by the same farmer? I wonder what the minister thinks about that idea now that he is on the other side of the floor.

Where in the budget is the undertaking for an aggressive hay marketing program to develop fully the export potential of this province? I have heard the minister talk about that a number of times, but it seems as though priorities have changed.

Another platform plank was the establishment of an alcohol-gasoline blend to replace leaded fuel. I am sure the corn farmers of Ontario would be delighted to have that program implemented, but somehow or other it seems to have fallen by the wayside.

Here is a good one: "We would use one per cent of the ad valorem tobacco tax revenue to develop new products and alternative crops to tobacco." The frozen ad valorem tax is gone and the new tax is on at a higher rate than it was before. As I recall from my days as parliamentary assistant in the Treasury, one per cent of that tax is a lot more than \$6 million. Although I do stand to be corrected on that, I think they may have fallen a long way short on that promise as well.

Again, I would have thought that in a time of such economic stress in the agricultural community we might have had some comment forth-

coming in the area of support for financially distressed boards. Anyway, it did not happen.

4:10 p.m.

Let us try to figure out exactly what is new in this budget for agriculture. If we look at some of the press releases the minister has been putting out, he obviously has no fear that there is going to be a paper shortage, because we have been getting a regular stream.

The minister is very proud of the \$76 million in supposedly new money put into the Ministry of Agriculture and Food. I would congratulate him quite happily if I thought it were really new money. I just received a copy of the 1985-86 estimates, delivered to my desk yesterday afternoon, so unfortunately I have not had the time to go through the estimates thoroughly. However, I do know that the figures in the votes at the back are absolutely identical, number for number, to those that would have been presented had I been the minister.

Hon. Mr. Nixon: They are identical.

Mr. Stevenson: They are identical. That is correct.

As we look at these numbers, we see a figure here of \$361 million. Then we add on the programs that we announced after the May 2 election. There is the farm operating credit assistance program, \$40 million, or the equivalent of \$13.3 million per year. That is on top of the \$361 million. Then there has been an addition in the new budget of \$5 million annually on top of what had been allocated, \$15 million for tripartite or bipartite stabilization.

There was the new crop development fund, the agricultural outlet draining program that the minister again announced in the last week or so, an \$8-million rural employment assistance program, a \$500,000 extension of the clingstone peach program and, of course, the financial protection payments by the ministry in the grain area. I will not mention the veterinary college, but I know if the present minister was listing the numbers he would put that in as well.

When I add up those numbers, take them on an annual basis and see how much money would have been available this year, the figure comes to \$381 million. I could be out by \$1 million, \$2 million or \$3 million. That is not a big concern of mine. Let us say, in round numbers, \$380 million. That would have been increased by \$5 million because of the extra money going into tripartite stabilization that is not listed in the current estimates. Let us give the benefit of the doubt and say \$380 million.

The minister is now crowing about \$399 million. At the very most, there is \$20 million of new money the Ministry of Agriculture and Food had not been expecting.

Mr. McKessock: What percentage increase is that over last year?

Mr. Stevenson: It is very little, as a matter of fact. The government has contributed very little, despite all the noise over it. The ministry was expecting something like a 16 per cent increase and it has about 20 per cent. It is right here for the honourable member to look at. He just has to walk over and have a look.

There is very little new money, yet there is all the talk about extra new money. There is a discrepancy of about \$50 million somewhere in how the budget of the Ministry of Agriculture and Food is being shuffled by the current administration. Clearly, there have been some very significant cuts in anticipated spending from June until now.

It is quite clear that the farm operating credit assistance program, which would have been about \$14 million, now is part of the Ontario family farm interest rate reduction program; so there is considerable money there that is not new. One program was cancelled and the other put in its place.

What else has happened to the programs that should have been increased and are not now going to be because they are going to show up in the OFFIRR program and the \$5 million in tripartite stabilization? I cannot find them, but obviously a number of programs are flat-lined and quite clearly there had to be a number of cuts in existing programs. These are existing programs, not promises from the May 2 election. They have been in the ministry for a number of years, have proved successful, are very much liked by the farmers of Ontario and have been brought under the axe by the present administration.

While the minister, who likes to be known as the King of the Castle, is out there crawling to the agricultural industry and wanting to be patted on the head, he has very clearly fallen short of what I am sure he would have liked to have done for the industry. When the word gets out about exactly what has happened to the existing portion of the the Ministry of Agriculture and Food budget, I am sure some agricultural organizations will be quite upset by the amount of quick stepping that has been done to try to put this document together.

There were some other comments I wanted to make, but they have slipped my mind at the

moment. Very briefly, I want to address a few changes that have occurred in the past few months and question the approach of the current administration.

The financial problems of the industry have changed for the worse, but we cannot say those changes were totally unexpected. Certainly, since 1981, anybody associated with the industry over the years has hoped that it would turn around and that commodity prices would increase so farmers could make an adequate living and get an adequate return from the marketplace. That has not happened.

For the past two or three years, the Ontario government and most certainly the producer groups—the Ontario Pork Producers' Marketing Board and the Ontario Cattlemen's Association—have taken a very statesmanlike approach to try to solve this problem. That shows up in the approach taken in the attempted establishment of tripartite stabilization.

They went to the federal government and other provinces and said the war between the provincial treasuries, particularly in the red meat area, must stop for the good of agriculture in Canada. The tripartite stabilization not only was a stop-loss mechanism and an income insurance program as such but also was intended to stop the war between the treasuries and the balkanization of the agricultural market across Canada.

Certainly, members on this side of the House who were Ministers of Agriculture and Food pushed as hard as they could to get that program coming forward, but quite clearly it had been fought at the federal level by a number of other provinces. It is yet to be signed, and although the current minister here and the federal minister say it is about to be approved, there is still some very real question as to whether it will be.

4:20 p.m.

Mr. McKessock: Why did the federal Minister of Agriculture give in to some of the other provinces?

Mr. Stevenson: I am sure the Ontario caucus and the federal minister, being from Ontario, did the best they could to try to support Ontario's position as stated by the government, the cattlemen's association and the pork producers' board, as well as the identical position put forward by Alberta, but when there is support in government from other provincial caucuses, they decided to try to come up with some sort of compromise. I would suggest the federal government, on the whole, has failed to take the leadership required on this issue. The industry of

agriculture, particularly the red meat sector in Ontario, is going to suffer severely because of it.

Mr. Villeneuve: Who knows the industry? It is the Farm Credit Corp.

Mr. Stevenson: Yes. If the member is suggesting the agricultural activity of the federal government is a total loss, one has only to look back at what it was when the Liberals were in and one will see many positive changes.

Mr. Villeneuve: It is 16 3/4 down to 12.

Mr. Stevenson: The other thing that has been brought to a completion in the last few months is the fact the United States countervail action against Canadian pork was finally and firmly put into place. That has brought a new reality to the types of programs that must be brought into effect in Canada for our agricultural producers. We must review the delivery of the agricultural programs in Ontario and across Canada, in the hope of minimizing that sort of activity towards agricultural products.

To review briefly, very clearly the statesmanlike approach towards tripartite stabilization and a national plan of that type have failed. Also, the reality of countervail is with us. These two things have become abundantly clear in the last few months. What has the Liberal government of Ontario done in recognition of that reality? It has done nothing.

We can look at another similar province, Alberta, which took the same statesmanlike approach in the tripartite stabilization question. It now realizes the program is not going to be what it hoped, and it must do something to protect its local red meat production system.

In the last few weeks, it has taken two big new steps. One was a \$128-million allocation to livestock producers of that province in a feed-grain program. Those members would say that was brought in to adjust for the grain price situation relating to the effects the changes in the Crow rate would have in that province. I am sure that is largely true, but very clearly it has a major impact on the agricultural producers in that province and also on the competitiveness of Ontario producers now with Alberta, along with most of the other provinces in Canada.

Mr. McKessock: The member's government had a couple of years to do that.

Mr. Stevenson: I very clearly said these are the result of developments in the last three or four months. The producer groups have not asked for that to any great extent in Ontario. I said at the beginning, the Ontario Pork Producers' Marketing Board and the Ontario Cattlemen's Associa-

tion went along with the statesmanlike approach that was taken by the Ontario and Alberta governments to try to get the war of the treasuries to cease. It has not worked. This government has not recognized the fact that the rules of the game have changed in the last few months.

I believe another announcement was made two weeks ago. An additional \$41 million is going to the red meat stabilization program in Alberta. It is going to pay between \$22.86 and \$79.75 per head of slaughtered cattle marketed and between \$10.11 and \$14.30 for hogs marketed. This information was out in time for the budget.

The statesmanlike approach is over. The war of the treasuries has just taken a very significant step forward. Our producers' groups are now asking for some special help before the tripartite stabilization agreement is signed, so that Ontario, along with the other provinces, has something to phase out over the next five years. Are they going to get it? It certainly appears to me they are not.

The minister has certainly been very vocal. It now appears it has been a fair bit of wind and is not going to turn out to be a whole lot of action.

I have a few other comments I would like to make, but I will save them for another occasion that is coming up. Just briefly, to review the situation as I see it, as a representative of the people of Durham-York and as the agricultural critic for this party, the budget certainly is a major disappointment. It has been made very clear to me by the people in Durham-York that they are unhappy with a number of aspects of it.

I have tried today to bring to the minister's attention the fact that the numbers that appear in the agricultural budget are largely a shell game. There is very little money in there that the Ministry of Agriculture and Food had not already expected to receive. When one looks at the numbers that show up, very clearly a number of programs in the ministry are either flatlined or cut quite substantially, because for \$76 million of new programs there is actually only \$20 million of new money to cover them. Obviously the difference there creates problems for the existing programs in the ministry. I am sure that, as time goes on, we will hear from the squeaking wheels and we will find out what section of the ministry has been hurt because of this budget.

Lastly, I received a copy of a letter addressed to the minister. Many other copies have gone out. It states that the producers of Durham region, Victoria county and York region are very unhappy with the performance of this government, because it has failed to come forward with

any sort of payment to the hog producers of that area and the hog producers of the province.

4:30 p.m.

They are expressing their disappointment because both ministers made positive statements at the time of the international ploughing match, and, certainly with all the great press releases the Minister of Agriculture and Food is currently putting out, one would think they could come up with a bit of action and not just more rhetoric.

Mr. Breagh: I want to make a few comments on the budget, the process, and several items that are in the budget. I want to begin by saying I am not sure this is quite as fiscally responsible as it ought to be, but in general it is probably about as exciting as an evening in South Dumfries.

I do not know the expectations of the people of Ontario for this first budget from a new government, but I think it is reasonable to say that, after 42 years of one political party being in government, they might well have anticipated something a little more exciting than what we got. I do not want to be too sharp in my criticism, but I do want to recognize at the beginning that there are a couple of things we ought to consider.

First of all, through a series of unusual political circumstances, we did not see a budget in the normal time frame. It is an unusual circumstance for us to be looking at a budget in the fall session. Normally, we have seen it in the spring. Most of us are anticipating that we will see the first full-fledged budget of this government in the next spring session. In a sense, it is a budget for an interim period of six months.

Also, we have to recognize that the Treasurer has had a short period of time to get things in gear, so to speak, to prepare, to make his options known, to make the decisions of political will that are part and parcel of any budget.

To put an expression on it, it is a little different from what we have seen previously because it is not mean. I have been a member here and have seen budgets that appeared to me to have a real air of meanness about them. They went after a particular economic group and taxed them where it hurt the most. They taxed them on things such as Ontario health insurance plan premiums. I have been here when there was an across-the-board sense of meanness expressed in some sort of a restraint program, when there was clearly some large measure of unfairness put into the context of a budget and carried out in a way that affected the lives of literally thousands of working people in this province. There is none of that in here.

However, there is an air of indecisiveness all the way through. I have listened to question period in the last few days and I think all members are aware that this Treasurer had to roll in several programs that were begun by a previous government and were already in place, in operation. They had to be incorporated into some of his plans.

I have listened with some interest to the discussions around whether there is more than the previous government had anticipated, or not as much, or whether it is just the same. For the most part, that is an irrelevant discussion in my books because essentially he does have the right, as the Treasurer of Ontario, to present a program. The question to be judged here is, basically, does the program meet the need.

I am not really interested in discussions about whether this program is bigger than the last program or the same kind of program or a slightly different program. The truth is there are several members now in opposition who are seeing programs they initiated when they were on the government side come into being. For example, I happen to know all the youth training consolidation programs were initiated by somebody else when he was in the ministry position. It takes eight or 10 months, and sometimes 14 years, for ideas to roll through the government process here.

We are seeing initiatives that were begun last year now coming out of the mouths of new Liberal cabinet ministers. We are all aware that is going on. It is fun to watch people who began something on that side of the House now being very critical of it on this side of the House. I suppose that is part of the process, but a little ironic and somewhat misleading, I might say, to the people of Ontario who have to watch all this.

Let me put to the House a couple of other general comments about the budgetary process. There is in this budget a very nervous, tentative step to do something revolutionary in this country. It is not a direct approach but an indirect approach to doing something that has never been done here. There is the threat of, the hint of, an attempt to tax the wealthy in this country. Both this current provincial government and our federal government are playing with the notion of things such as capital gains taxes, taxing the wealthy and taxing the wealthy corporate sector as well. But it is such a revolutionary notion in the history of our political system that they are moving with glacial speed on it. They are fearful of it. It is such a novel concept that the rich should pay taxes in this country.

Let me put to the Treasurer a small amount of support. It is only fair that the rich pay as much taxation as the poor in this country. That would be a good first step. I do not want him to rush in and tax the wealthy as he taxes the working class. That would be too much of a shock for sure, but I would like to see us get headed in that direction.

Most of us who have followed federal and provincial budgets know that, by and large, the poor do not pay taxes in this country because they do not make enough money to pay taxes. They pay them in all the indirect forms. One will find in this Ontario budget all the different forms of taxation that people pay; all the lotteries, the racetrack taxes, the booze taxes—everything that is not called a tax but really is a tax. It is a great source of revenue for this government and every other level of government.

That is really the tax on the poor in this country. If they do not have enough income that the government can nail them with on income tax, it gets them at the corner store when they buy their Wintario tickets. It gets them at the Brewers' Retail when they buy a case of beer. It taxes them that way. This government is very good at that.

Although I do not want to dwell on what this government said during the course of the election and what it did when it introduced the budget, this government continues to tax people at the corner store. This government continues to tax people when they sit down to eat a meal. There is no question about that. That process is so deeply ingrained in our society that most of our citizens are not even aware that the taxation process is taking place.

Most people do not know that when they go to the corner service station to fill up with gas, most of what they are paying when they sign that chit or hand over their money is tax of some sort. Most of our citizens actually think they are paying for liquor when they go to a liquor store. It is not true. For the most part they are paying taxes. The instalment happens to be collected at the Liquor Control Board of Ontario and it is picked up by somebody who does not look like a tax collector but who looks like a salesperson.

Our people are slowly but surely beginning to understand this a little bit more, but I believe it is still true that most of our citizens do not know when they are paying taxes in this country. I am aware of that. I keep meeting with groups and I keep asking, "How many people in this room think there is a provincial income tax?" My score-card on that is we are lucky if two out of five people know they pay a provincial income

tax. That is an astounding thing. There is a provincial income tax. There has been for a long time.

The provincial income tax is going to be increased in this budget and most of our citizens do not even know that such a creature exists. In some sense that may speak to the political shrewdness of the previous government. It was so successful at hiding the taxation process that most of our citizens are not even aware that it is going on, but it is.

Let me go on to some of what are laughingly referred to as initiatives in this budget. I want to start by mentioning something that I am sure a number of other members will want to talk about as well. On major things such as employment and housing, one really has to stretch it to say that this budget does very much for anybody. We will go through a long period now where each day questions will be asked on the opposition side and the Treasurer will respond on the government side with everybody trying to fudge the numbers about whether we are really creating new jobs. The truth of it is that this budget does not create very many jobs for anybody.

One can say that 108,000 jobs and 30,000 more are being added to the process, but if we were being completely honest about it, we would say: "In this budget we hope we are going to create 140,000 jobs and, unfortunately, we are going to lose 50,000 or 60,000. So at the end of it all, if we are lucky, we might be up 50,000 to 70,000 jobs."

The budget does not quite put it in those terms. It would be a little more honest if, when Treasurers presented budgets, they gave us the good and the bad by saying, "Here is what we are trying to create in the way of new jobs and here is what we are liable to lose in the way of jobs from existing industries." That would be of some possible use to the people of Ontario. They do not do that.

4:40 p.m.

There are some things missing from all this. The problem of young people getting employment vexes me every day. I continue to go back to my constituency office and see young people who are doing what they are supposed to do, being good boys and girls, going to school, applying for jobs, sending out résumés and not getting employment.

The word seems to be out that there will be some hiring of staff for the members. I see a constant flow of résumés across my desk here at Queen's Park, by and large from young people under 25, who are extremely well qualified for

just about any kind of job we might have around here. That is an indicator to me that there are a lot of very well qualified young people who do not have a chance to get the same kind of a job opportunity I had when I started out in the work force.

I also want to put on the record—and I am ashamed to say this is hardly the first time I have said this in a budget speech—that I have a lot of older workers coming out of plants and industries who are in their 40s and 50s. Their chance of getting a job is nil. It is fine to talk about skills training programs, retraining programs and further education, but they do not apply to many of my constituents who worked at Houdaille, Firestone, Ontario Malleable Iron and Pedlar.

All those people are people who came here, many of them from other countries. They do not have a great deal of education and they do not have a great command of their own language, let alone the English language. They are people who worked in the plant, so to speak, some of them for 20 or 30 years. Their chance of getting a job out of this budget is zip; it does not even consider them. That is a tragedy. It was a tragedy last year when a different government put forward its budget.

I know that it is hardly a simple problem, but this world can handle only so many security guards, and that seems to be the only kind of job opportunity there for them. This world can only have so many custodians, which is another dead-end job opportunity. I would like to have seen some initiatives in this budget around that tragedy.

I understand it is not easy. It is hard to employ these people, but the fact remains that they are people, not just numbers that appear on somebody's balance sheet somewhere. This government in its next budget had better put its mind to that problem. It is not only a problem in my constituency, but it is a problem all over Ontario as our economy changes over.

This is one of the first budgets for a while that has not talked about the auto industry, which is a little bit strange. I am not making an argument that previous budgets did anything, but at least they recognized that the auto industry is a major part of our economy. This budget does not seem to know that the auto industry exists in Ontario. There are those who look at a place, such as my riding of Oshawa, and say, "General Motors is putting \$2 billion worth of investment into Oshawa." General Motors has just announced another plan for an \$80,000 expansion in Oshawa.

It is true that if one comes to Oshawa today and looks at the official numbers, our numbers on unemployment look better now than they did a year ago. Investment looks better now than it did a year ago. But those of us who have lived in that community and in other automotive communities for a while know that one cannot look at the short term; one must look at the long term. One must look at what is happening in the whole auto industry.

What is happening in the whole auto industry is a little scary. As the federal government talks more about free trade, as the federal government has resisted the idea of Canadian-content legislation, we are a little vulnerable here. I believe the Minister of Industry, Trade and Technology (Mr. O'Neil) has been offshore, so to speak, courting other auto makers, and I know we have to do that. We have to try to work with them and see if we can get some Canadian content that way.

The whole discussion about free trade sends little shivers up and down my spine. Those who think one can entertain that notion in the abstract and not look at the reality of what impact it will have on Windsor, Oshawa, Brampton and a whole lot of other communities in this province are nuts. They had better go back home and talk to their people who work in the auto industry on the labour side and on the management side and get some estimation of what that whole concept of free trade means in reality to something as important to us as the automotive industry.

I am not making an argument that a budget ought to contain all these things, but I do think somewhere in the budgetary process the problems and future of the auto industry deserved a line or two somewhere. I regret they did not get it. There will be lots of opportunities to put it on the record in the next little while. I urge the Treasurer to do so.

Let me talk a little about some good things. I have to modify "good things," because they are not good in the sense that they are going to resolve a lot of problems. However, I want to recognize that the Treasurer of Ontario did some things in the budget that were good.

For the first time in many years, the municipalities have had somebody at least listen to their problems. I believe that has to be noted. The Treasurer did a little in firming up transfer payments and in addressing a little more money to municipalities. He seems to have discovered that school boards have had problems building schools for a long time. Somebody has to address himself to that, and he did.

The people I know who work in municipal government and on school boards are saying it is a good idea, but that it is not really enough to make much of a difference. None the less, let us give him a pat on the back for at least understanding that there is a problem. A municipality that is required to file a five-year financial plan with the government also has a right to know what the government's intentions are for the next little while.

In this budget the Treasurer said, "Here is what you are going to get for the next two years." I want to applaud him for that. If he could get his act together as well as most municipal councils get theirs, he could tell them his intentions for the next five years. We had one other Treasurer, Darcy McKeough, who once made an Edmonton commitment to provide to the municipalities the five-year forecast he demanded of them, but it never made it back to Ontario. It died somewhere around Winnipeg.

I want to applaud the Treasurer for letting us win a point in principle. One can try to separate municipalities and school boards, but when one is sitting on a municipal council and putting out a tax record for the year, it does not really matter that more than half of what is being asked for in the way of taxation from the public is for a school board, although everybody I know makes sure that information is printed on the tax form. In total, it is a lot of money. They have to put out the taxes. They have to make those requests.

The Treasurer has at least acknowledged that they need to know a little more than to hear somebody make a speech this fall at the Association of Municipalities of Ontario about what the grants are going to be next spring. He has done that. They need to know that he has recognized school boards are having problems with capital costs, with building things. He has done that. They need to know that he has recognized that a lot of municipalities have been unable in a period of restraint to continue capital improvements for roads, sewers, transit systems, etc. He has recognized that.

I am not sure he has put enough money into it really to do anything about it, but he or somebody at least read the report from the Federation of Canadian Municipalities that established that the inventory of street improvements, sewer improvements and all that unglamorous stuff municipalities do is suffering some problems.

The roads cannot be left alone for five or six years, as we have just done, without paying a price for it. The municipality does not have to repave or rebuild the roads this year or next year

or in the third, fourth or fifth year, but by about the sixth year the roads start to deteriorate and then it has to fix them up. It seems to me the Treasurer has at least discovered that one fact.

I want to put a little hook in here in my wonderful support for the Treasurer and what he has done. It is a local one. We have gone through about a decade when the government of Ontario said something about providing GO Transit trains to Oshawa. In this budget, there is an allocation of some \$60 million for transportation purposes.

We have talked long enough about the extension of the GO train to Oshawa. We went through a previous government that tried to use light rail transit. It did that dance for about three years and finally admitted it is probably cheaper, quicker and better to use heavy rail. It finally made that decision.

4:50 p.m.

If somebody such as the current Minister of Transportation and Communications (Mr. Fulton) stands up in this House and tells me this government has reneged on that promise to provide GO trains to Oshawa, I am going to lead the revolutionary forces out front. They come in here every day on double-decker commuter trains from Pickering. There are a lot of them. We are going to be really angry if this budget, when it is finally translated, reneges on that long-standing, 10-year old commitment on the part of the government of Ontario to provide GO trains to Oshawa, Newcastle, Whitby, Ajax and all of that area.

We are up to our eyebrows with discussions of how to do it, when to do it and what kind of vehicle we will use. We have had more than 10 years of discussions about it. We really do not want to discuss it any more. We would like it done. In as polite a way as I can, I will say, "Do it, for crying out loud."

A couple of other things need to be noted in passing. There is a discussion paper with tables in the course of this year's budgetary statement called Reforming the Budget Process. Let me add my voice to those who would say, "Is it ever about time this process got reformed?"

Members will forgive me. I want to say at the beginning that I am a fan of the parliamentary system. I believe in the parliamentary process; I do not like the congressional system. I believe in and love all our parliamentary traditions, even if they are British. But the budgetary process in a traditional British parliamentary system stinks.

It is ridiculous to say that the Treasurer of Ontario retains secrecy next to his heart in the

preparation of a budget so that even other members of his government do not know what he is going to do until he stands up and starts his speech on budget night. That is crazy in this day and age. It is crazy that no group of parliamentarians from this Legislature gets to look at budgetary policies before moneys are spent.

I welcome his proposal in here to do something like that, to have a charged-up finance committee that would look at budgetary policies in general. It seems to me it would be an extremely useful exercise to have things such as employment trends and some generation of information around various parts of the economy, on what is going and what is not going, and a discussion of options on a broad base that would give the Treasurer some information.

Just stop and think for a moment, Mr. Speaker. It is ridiculous that, in preparing for a budget, every Treasurer for the last 20 or 30 years has sat down and talked about it with groups such as the chamber of commerce and the Ontario Federation of Labour, but no Treasurer in all that time has bothered to sit down and talk about it, even in general terms, with a committee of this Legislature. Everybody is consulted about it except us.

That is crazy, quite frankly. Some of us have come, for example, from municipal experience, where a budget starts being open on day one. Everybody is involved; everybody has a chance to propose things and to argue about what is in and what is out of the budget. It is virtually all done under public scrutiny in the eye of the public. One makes one's choices and has one's arguments.

To come here and say the province cannot do the same thing is ridiculous. Of course it can. Of course we can establish a committee such as the one discussed in this little reform process. As chairman of the standing committee on procedural affairs and agencies, boards and commissions, I hope to have in front of the House shortly some changes in how we operate our committee system here that would enhance this kind of idea and that would allow a committee of the Legislature to have that kind of information flow.

When one looks at the Mother of Parliaments, they are not nearly so old-fashioned at Westminster as we are at Queen's Park. It is ridiculous that we nurture a myth around the preparation of a budget. It is not just quaint but wrong. It is wrongheaded in spirit and dumb to boot.

There are good things about the way the Treasurer has put together his budget, but let me try to nail down for members one or two things I

think are not good. I know that the way to get off the hook on this is to say, "We will see you in the spring and we will be able to tell then whether we have really taken enough initiative."

I believe it is sad in this day and age, when the statistics are really in on the number of Canadians, Ontario residents, who are living at or below the poverty level, to table a budget in here which does not in a serious way, in my judgement, address itself to their problems.

I read some of the lines in here and I am not clear what the budget really means about reforming things such as shelter allowances. I do not know what that means; I await the detail of all of that. I do know one of the problems we have in dealing with people who are poor, who are out of work, who are unemployable is that a broad, general amount of money to help those people sometimes does not reflect local conditions.

To be a little more specific, if I lived in certain parts of Ontario and was able to get relatively cheap housing, the amount of money I might get, for example, on a disability pension might be sufficient. If I move to the city of Toronto and am not able to get some form of subsidized housing, probably my entire cheque is used up in providing housing.

There is that distinction to be made. If one reads between the lines, that is kind of where the Treasurer of Ontario is going, but he does not go there. He simply points out an area where he might move. I would urge him over the winter months to give some serious consideration to a number of things.

There are people living in this province, supposedly assisted by the government of Ontario, who cannot survive. That is clear to me. There are people in this province who are paying the price, unfortunately, for a government that decided in 1978 and 1979 to stop building socially assisted housing. Some building has continued. In my area, everybody loves senior citizens, so socially assisted housing for senior citizens has been built by three or four church groups. There are problems about the rent level, but we have to admit that the housing has been built.

It seems that in my area, nobody—no church group—wants to take on single-parent families, because nobody has come forward to use any of the government programs to build that kind of housing. Nobody, it seems, is terribly interested in people who might have a physical or mental handicap. Nobody, it seems, is interested in some other groups that might be around but do not fit these neat classifications.

I think it is fine; I love senior citizens too, but there are others in my community who have a need for socially assisted housing, and we have not built a stick of it for them in almost a decade. That is wrong, and the next budget is going to have to address itself to that.

I could read the arguments in here where this budget tries to identify that kind of area, but I do not have any hope that it is going to happen. I wish I did, but I do not. Again, I know there is recognition of a problem. There are programs being cranked up to point the government in that direction, but no one can make me believe that over this winter anybody is going to build a whole lot of housing for those folks. That is not going to happen. It will be, unfortunately, a long, cold winter.

I have to say that almost every day now, somebody calls my office who is in a tragic situation. I had one again last night. A young mother with one child and nobody to support them is going to be out of her apartment by Friday. What do we have in my community to offer this woman? There is a chance to stay at the Young Women's Christian Association. It has some rooms it lets to young women with families for three or four days.

If that were a young man with a child, we do not have any place for them. If it were a drunk lying on the sidewalk, I could take him to the men's hostel, which we have, but we do not have any socially assisted housing for single-parent families led by a male.

Again, it is the kind of classification system our society is using that is a little screwy here. If people are poor, it does not matter a hell of a lot to them whether they are young poor people, old poor people, male or female poor people. If people are poor, they have no money and they need some help. The fact is that society says: "If you are a senior, we like you; we have built some housing for you and we will help you. But if you are young, a single-parent mother or someone in a similar position, we do not care to deal with you just now."

These people are there in my office and they need some help, and this budget does not do very much for them at all. If we want to be kind about it, the budget identifies areas where things have to be done and takes some feeble, tentative initial steps in that direction. I am saying that is okay for now. I understand all the constraints this government is under, all the pressures and the time frame. We still have ministers who are not sure what being a minister of the crown really is

all about; I understand that. I did not think we would see the new world in here.

We have put most of our concerns into a little document called the accord, and if we get out the accord and match it up with this budget, it sort of matches. The one major exception would be the one that has been discussed at some length here today, and that is the gasoline tax. I think what has happened here is very simply that we have a new Treasurer in Ontario who is trying to do some things in new and different ways. I applaud him for all of those and I have tried to put those things on the record this afternoon.

5 p.m.

At the same time, he grew up around here in a whole political attitude in which the Treasurer of Ontario wanted to be as sly and sneaky as possible. In this province we are accustomed to a budget that says taxes were not raised, but Ontario health insurance plan premiums were; we did not do this, but we lowered exemptions; we did not fire people, but we put them in a straight program that caused them a lot of pain; we know there is a problem, but we did not do anything. Those have been the cutesy-pie notions on the part of the Treasury.

In his initiative around the ad valorem tax on gasoline, this Treasurer got a little cutesy-pie as well; so he is able to engage in a splendid political debate each day which goes roughly like this: Someone on the opposition side asks why the tax on gasoline was raised. The Treasurer will say: "I did not raise it very much. You should be so pleased when the pain stops. If you do not give me that, I will leave the ad valorem tax on."

I would have been most pleased if the Treasurer had said: "I think the ad valorem concept is a wrong one. I am taking it off the books. We should replace it with a fixed-rate tax. Here it is at exactly the same level as the ad valorem taxation rate is now." For this budget, that would have established the principle I think he wants to establish, that we should not put automatic taxation processes in place.

I recall joining with the Treasurer in that argument on many occasions when we said that the ad valorem concept was a sneaky, underhanded way to tax people and that governments should not do that. Governments have to tax people, we all recognize that, but they should at least have guts enough to tell people when they are being taxed. That is what is wrong with the ad valorem idea. When the previous government introduced it, it decided it would like a really sneaky, automatic increase system. That is what an ad valorem tax is. It has nothing to do with

Latin. It has to do with sneakiness. That is the purpose of the exercise.

This Treasurer did himself a disservice when he tried to be a little devious—to use a polite word, maybe even a parliamentary one—around that process. If he had brought forward a budget that had said, “We are just shifting this thing from ad valorem into a fixed rate and here is the bill, away you go,” I would have been happy. Now I think he has created a bit of a problem for himself—a political problem in the first instance in that he may lose the budget bill, although we do not know that yet, but also a problem in credibility.

The Treasurer has gone to some length to create the image that he is interested in opening up the budgetary process by providing people with more information and by letting members of the Legislature be part of the preparation and approval process of a budget. In large measure he has done that. He did himself a disservice when he tried to throw this slight curve ball into the routine. I would ask him to rethink that.

He went a long way down the road towards providing us with some kind of publicly identifiable budgetary process. That is good stuff. Why louse it up with a tax increase of 0.4 cents per litre? It is unnecessary and a little silly, if I may be forgiven for saying so; and this is from a Treasurer who is not given to a whole lot of silliness.

I read the comments on the Treasurer’s performance, the presentation and all that. It was interesting because there was a lot that suggested this is a Treasurer from rural Ontario—a tight-fisted, frugal person, not too sophisticated. I would like to meet those reporters and sell them some swamp land in Florida.

The Treasurer may come from a rural part of the province but he is no rube, let me assure all of us who watch him. This is a shrewd politician at work. He knows when things are getting so serious in here that we ought to have a little favourite story of times past, quaint tales of politics in Ontario over the past 40 years, what is happening in South Dumfries tonight or what is going on at the Shell station. When things get hot, we can count on an anecdote. He has millions of them. I have not heard them all; I hope to in the next 20 years or so. This is a shrewd person, an astute politician who knows what he is doing.

[Applause]

Mr. Breagh: There is no need to get excremental about it. I am just saying he does some things right.

I believe his proposals to change the process are really important. If they are adopted, they will get us to a point where this House will finally have a budgetary process that may not be the best in the world but at least makes sense and has some logic to it. We are headed in that direction. We will need to do whatever we can to enhance that process.

I accept the limitations of time, knowledge, staff and experience and all of that which might have given this budget a somewhat rushed appearance around the edges. Not everything was thought out as thoroughly as it might have been. I understand all that. In my remarks today, I tried to point out the areas where I thought the Treasurer had at least discovered what the problems were.

In closing, I do not believe the Treasurer has provided very much in the way of solutions here. It will take a great deal of work to pursue his initiatives on housing, adjustments to payments to people who need assistance, job creation, transit and dealing with municipalities and school boards.

I applaud him for having the astuteness to take the Suncor deal and write it off. That is a shrewd political move. If somebody comes in next week and offers him \$1.95 for Suncor, he can say: “We wrote that off last week and we got \$1.95 this week. We are up \$1.95.” Before, somebody would have said, “You are losing \$200 million.” There is political shrewdness in here.

I am not sure he is going to be so shrewd when he gets to the land assets. I do not know what the Treasurer is going to do with the tree farm in eastern Ontario. All these things were hallucinations of a previous Treasurer. I do not know what he is going to do with the nonairport land in North Pickering. The lawyers have been to court and made fortunes from that. It has been a tremendous employment opportunity for young lawyers. It has made careers for ombudsmen. All of that has made great television journalism as well. The Treasurer is going to have a little trouble with that.

When he says he is going to end the Ontario Economic Council, that is hardly a dramatic move. There is not very much there in the way of a plus. My committee, the standing committee on procedural affairs and agencies, boards and commissions, happens to have reviewed that agency. We thought they were nice people and did good work, but we could not see much of a relationship between what they did and what the Ontario Legislature ever did. Frankly, to summarize it unfairly, I do not think they could either.

They were just nice folks who were studying things, which is good. There is nothing wrong with studying things.

There are lots of initiatives in here that may be significant in the long run if the Treasurer opens up the process. In the long run, that is a really good move. If the Treasurer takes the short steps in here around matters like housing and employment, develops them into full-fledged programs that really help people over the winter and comes back in the spring session with a dramatic change in budgetary process and some initiatives that actually do something, we will all be happy.

The problem is that we are now left looking at something that has touched all the bases but has not moved them anywhere. That is where the Treasurer has left us with this budget. He has identified problems. He has made some symbolic gestures and he should be applauded for those.

To put it into perspective, I have watched Treasurers in here do the same dumb things for 10 years now. This is at least a Treasurer who acknowledges that some of those things are dumb and one should not do those any more. One has to give him credit for that, but the challenge is before him. The challenge is that we are living in a time when our economy, whether we like it or not, is changing dramatically every day, all around us—for young people, old people and people who have established jobs now but who are not too sure they are going to be there tomorrow.

I say that coming from an economic climate in Oshawa where there has been a pretty dramatic renewal of our auto industry. Our employment rates have not fallen dramatically, but each time I go into the union hall or plant, people are worried that a strange thing called automation is coming into the plant. Weird things like robots are being used in there. They do not know whether they are going to be working on this line today, that line tomorrow and no line the following week.

They have lived through a lengthy period—and it is continuing—when what they thought was a well-paid industrial job disappeared on them overnight. It continues to happen every day, even in a plant that is undergoing considerable investment and considerable change. That anxiety has to be addressed by the Treasurer in his next budget.

5:10 p.m.

I want to conclude by commending the Treasurer for the feeble, tentative, initial steps he took in here and by encouraging him to take these long winter months to develop them so that when we look at a statement by the Treasurer in a

spring budget next year, we can say he accomplished something. He will have had a winter to think about it, a long time to sort the bugs out of the system. He will have had almost a year to get his ministers ready for the concept of being ministers of the crown and to develop programs of their own, not just reruns of what a previous government did.

I am encouraging him, begging him, to take the time now at his disposal to think through that process. If he comes back here in the spring with another two steps sideways and one step forward, I will be disappointed.

Mr. Cousens: Get ready to be disappointed.

Mr. Breaugh: I have been disappointed for 10 years, and I am prepared to give these people another six months until I express my disappointment again.

To sum up, there is a little envelope of time within which this hope and the aspirations we all have for some change in the province may be realized. We are not going overboard in our praise of this budget, but we are trying to recognize that there are some good things in it, as there have been good things in every other budget I have seen. We have tried to find them, but it is not yet fulfilled.

The government and the Treasurer still have a large job ahead of them over the winter. We will try to assist them in that job by pointing out where we think they have not quite found the mark yet; for example, where they have housing programs based on the right idea but without enough flux in them to make them work. We are mindful that the problems are not small in nature, but large. That is about all I have to say about this budget.

Mr. Knight: I am privileged to have the opportunity to participate in this budget debate. I am privileged because this is a historic budget, the first Liberal budget in 42 years—

Interjections.

Mr. Knight: Contrary to the hope of many people in the opposition, it is the first of many.

I am also privileged because this budget is totally supportable. It is one I totally support, and I am sure it will be supported by all progressive thinkers in this House. This budget is progressive and responsible. There are many new and enhanced programs presented in a framework of fiscal responsibility. It is fair and responsible, and it accurately reflects the true state of Ontario's financial affairs.

This government should be highly commended for introducing one-time measures such as discharging the Suncor debt, restoring the

advances to the school boards and correcting the unfunded commitments of the former government. Overnight, this government has brought good management principles and practices to government, keeping a clear, concise set of books, spending money efficiently and dealing responsibly with our partners.

The Treasurer's decision to remove from the province's financial statements the more than \$2 billion in assets that do not represent any real value, other than to record financial obligations the province owes itself, is welcome and long overdue. The Provincial Auditor has been commenting on this since 1979. It has always been an anomaly that the province should be supplying the funds to make payments on the loans it has made.

I also welcome the decision to assume the excess debt load of municipalities with respect to water treatment and waste control facilities, where such facilities were built by the province at costs far greater than the capabilities of these municipalities, but these adjustments must continue to be done on a periodic basis as market conditions necessitate.

On a specific basis, the decision to ultimately divest ourselves of our interest in Suncor and to buy out or retire the debt on this investment was necessary. It was a bad investment. I never could follow the former government's logic in acquiring the shares in the first place. I know several members of the government of the day did not agree with the acquisition. The fact that current market interest in the shares is low or nil, and certainly reflects a much lower valuation than the acquisition price, shows the purchase in 1981 was a bad deal.

Likewise, the Treasurer's decision to sell off Ontario Land Corp. holdings, where appropriate and as market conditions permit, will generate revenue and bring land into the ownership of private interests. I have never felt the province should be involved in land banking to the extent that the former government was.

Mr. Callahan: They speculated in a lot of things.

Mr. Knight: They did, and that speculation led them to make land purchases at prices higher than their current appraised value. As a result, the writing down of land holdings to reflect current market conditions was necessary. I think as much of the land as possible should be sold to private interests when and where appropriate.

I would like to spend some time on the program funding announced in the budget. In particular, I am pleased with the training and

employment program for youth. I have heard criticisms, even this afternoon, that nothing was done for the jobless over age 25. However, I suggest this government's Futures program places the emphasis on the age group that comprises far and away the largest portion of our unemployed. It is only by placing emphasis on direct job creation and educational upgrading that we will be able to contribute to the ability of these people to hold and retain jobs when they are older.

As I emphasized in the campaign, this government's job creation plans, which are now being implemented, benefit both business and employees. Funds are provided only when a new job is created, which is unlike the former government's trickle-down theory. I could never understand why it was not obvious that under the former government's plan, there was no assurance that grants would directly result in jobs. When new jobs are created, as 230,000 will be over the next year, business prospers and our entire economy prospers. In my riding of Halton-Burlington, new jobs are needed, and I am confident this program will help create them.

For those youths who are not employment-disadvantaged, but rather are securing a post-secondary education, the increase in the Ontario student assistance program and a four per cent cap on tuition fees will help.

As a former municipal councillor in Milton, I appreciate the fact that the Treasurer has seen fit to signal to the municipalities and school boards the amount of their transfer payments for next year and indeed, in the case of municipalities, the amount for the year after.

I share with the member for Oshawa (Mr. Breaugh) his thoughts that the budget process of the municipalities is better. When I say that, I mean better in the sense that they are open to the public in large part throughout the budget process, and I will speak about the Treasurer's discussion paper later.

In particular, I am delighted with the school capital support funding, both public and separate. In Halton-Burlington, the separate school board is faced with an extreme overcrowding situation, not caused by the funding extension but by normal growth. That board was pleased with the Treasurer's announcement and I am sure will be dialoguing with the ministry.

I am pleased to see programs announced to provide affordable rental housing, socially assisted where necessary. I am further encouraged to see that private developments will be encouraged with interest-subsidized loans. Rental accommo-

dation is not available in many areas of this province, and I look forward to announcements by the Minister of Housing to address this problem.

A problem in my riding of Halton-Burlington, as in many other areas of the province, is the lack of affordable day care spaces. I appreciate the announcement that the 10,000 new subsidized day care spaces will be given priority in under-served and rural areas.

The new level of health care funding is especially welcome to me, providing as it does increased opportunities for the Milton District Hospital, the Joseph Brant Memorial Hospital and the Georgetown and District Memorial Hospital to continue their excellent services to the community and, I hope, to expand areas of health service that are of concern to my constituents.

I know the farmers in the old Nassagaweya, Esquesing, Nelson and Trafalgar townships area of my riding and all over Ontario will recognize that the longtime Liberal commitment to the farming community has been addressed in this budget. Indeed, I noticed a news release from the Minister of Agriculture and Food which indicates that agriculture's share of Ontario's budget has climbed to nearly \$400 million, an increase of 21 per cent from last year's expenditure.

5:20 p.m.

We have addressed the problem of low cash receipts and heavy debt load with the Ontario family farm interest rate reduction program. We will assist farmers leaving the industry with a \$6-million transition fund and provide \$20 million as our share of a tripartite stabilization fund for red meat producers.

It would be nice if a lot of other equally good programs could be introduced at this time, but all of these measures cost money. I feel this budget is a realistic one that maximizes the important social and economic commitments outlined by the Premier in July in a manner that minimizes the cost to the taxpayer.

The tax measures outlined in the budget simply reflect the reality that the cost pressures of providing the existing and proposed services exceed the existing revenue structure. I unequivocally support the necessity of improving the fairness and equity in Ontario's tax system. I am pleased that, as a result of the province's tax reduction program, 350,000 low-income Ontarians will pay no provincial income tax and a further 40,000 will have their taxes reduced. It is my hope that the federal government will proceed with the introduction of a minimum

personal income tax and I feel that a parallel program should then be introduced in Ontario.

I would like to refer to the discussion paper the Treasurer tabled with the budget. The paper, Reforming the Budget Process, is appropriate for a government committed to openness. The bold suggestion that prebudget consultations no longer be in camera between the Treasurer and interested parties, but rather through the mechanism of a standing committee, is a welcome proposal. Recommendations from such a committee on economic and fiscal issues could be provided to the government as input into the development of the budget. Besides allowing for public participation, it would provide for all-party involvement in the budget process, which heretofore has occurred only after the budget has been tabled.

As indicated by the Treasurer in this discussion paper, before the budget process is broadened and opened as outlined previously, it will be necessary for the Legislature to establish guidelines regarding budget secrecy. Such guidelines can be established to allow for wider public discussion and debate. I hope the discussion paper will receive the consideration and input needed to open up the budget process.

This budget clearly illustrates this government's priorities: youth programming, agricultural enhancements, regional initiatives, job creation and the development of a fair, open and farsighted partnership with local municipalities and those who deliver major education and health services. This budget is equitable, responsible and supportable because it brings to this province a new social compact based on openness and fiscal responsibility that will go a long way towards meeting the needs of all citizens of this province.

Mr. Sheppard: It is indeed a pleasure for me to say a few words from the great riding of Northumberland. The people of the great riding of Northumberland are very disappointed by this budget and I am going to make a few comments about why they are disappointed.

The Treasurer's first budget carries at least \$600 million worth of broken promises, and that, to me, is a major disappointment. No one expected the Liberal government to fulfil all its promises in the first budget, but the members of this party and the people of Ontario expected it to do more than this budget proposes.

I sympathize with the people of the north. Nowhere in the budget do we see the promised \$20 million in \$100 tax credits for northern families, increased funding for northern schools,

hospitals and day care, seasonally adjusted hydro rates, or equalized milk and gasoline prices. After all, the people in the north should drink more milk because the people in southern Ontario produce 88 per cent of it.

The only promise the Liberals did deliver was the commitment to subsidize travel expenses for health care purposes. This apparent concession comes not a moment too soon, because the increased tax on motor vehicle and aviation fuel will have a more serious impact because of the greater distances involved.

While on the topic, I should say that by eliminating the ad valorem tax the party managed to keep an election promise while at the same time introducing another form of tax which is higher. The minister was cunning because had it remained an ad valorem tax the tax would have come down, thus not ensuring a constant tax return.

Ontario motorists suffer twofold in this budget. They suffer not only through increased gas taxes but also through drivers' licence fees which are up 60 per cent and registration fees that are up 15 per cent.

This budget completely ignores the Liberal commitment to freeze Ontario health insurance plan premiums, let alone phase them out over a five-year period. It is another broken election promise. As members are aware, when this party was in power, it committed itself to a freeze in OHIP premiums and to an increase in premium assistance.

Senior citizens must also be disappointed by the failure of the government to establish the denticare program it promised during the spring election campaign. It was very nice, however, that the promise to create 10,000 day care spaces will be honoured because the truth is that 7,500 were promised by the Progressive Conservative government.

It appears this year is not a good one for farmers as they have been forgotten by the new administration. The only assistance available to them, other than the programs introduced earlier by the Ministry of Agriculture and Food, seems to be to leave farming. Surely Ontario farmers deserve more than this. Whatever happened to the Liberal promise to spend one per cent of the tobacco tax revenues to develop new products and alternative crops? Whatever happened to the pledge to double the agriculture budget to two per cent of expenditures? This budget literally encourages farmers to bail out while they still can and it certainly does not provide any initiatives to potential young farmers.

I was dismayed that the environment sectors were completely ignored at a time when most individuals are expressing deep concern over our depleting and deteriorating natural resources. The \$30-million superfund to clean up toxic waste sites is yet another election promise unfulfilled in this budget.

We have yet to hear about programs that will encourage private developers to provide 5,000 rental housing units, at the same time creating 30,000 new jobs, when affordable rental housing is another critical issue. The minister's budget is very vague. How many private developers have already announced their decisions not to build any rental accommodation in 1986 due to recent uncertainties concerning housing? Furthermore, 10,000 units over the next three years is a far cry from the April promise of 14,000 in the Liberals' first year of government.

Now that the Treasurer has seen fit to raise Ontario's general rate of personal income tax by two per cent, it is possible that we may see an increase in the retail sales tax in the future spring budget—if we have a budget in the spring.

I am certain we are not the only disappointed members. I strongly suspect the members of the third party are also extremely uneasy over this budget.

An issue fundamental to the New Democratic Party that was never mentioned is equal pay for equal work. As indicated earlier, the 10,000 new nonprofit housing units in the first year of government, as well as the \$73 million in environmental commitments, are just two more broken promises made during the concept of NDP-Liberal accord.

In summary, this budget is unacceptable because it fails to provide programs for victims of family violence or of other kinds. It ignores the plight of farmers throughout Ontario when more incentive programs should be established. This budget fails to provide for the preservation of the environment and resources. Women are completely forgotten in this budget. The upgrading programs, new skills training initiatives and equal pay for work of equal value are non-existent.

Furthermore, this budget increases the deficit and jeopardizes the financial stability of the province. As mentioned last Friday by my colleague the member for Dufferin-Simcoe (Mr. McCague), this party cannot express confidence in the budgetary policies of this government and we will wait to see whether the government brings in a better budget in five months' time.

5:30 p.m.

Mr. Callahan: I am very pleased to rise and speak on what my colleague from Halton indicated is a historic budget. When one looks at a historic budget, one has to look at what has gone on in the past. We hear a great deal about the things that have not been done. There is no question but that within Ontario, great ills have been fostered over the years by various steps that were taken by the government that reigned for 42 years.

Since housing seems to be of grave concern, and surely should be of grave concern to the people of this province, what was most notable was the phasing out or complete obliteration of the home ownership made easy program, which was probably one of the best programs ever introduced into this province with regard to getting people into affordable housing.

With one stroke of the pen, or perhaps the issuance of the writ for that election, the entire plan was annihilated. I think it was in 1975, or perhaps 1981. If that was the action of a responsible government, I am dumfounded. That is one example of things that have gone on in the past and have resulted in a situation in Ontario that has to be resurrected by the Liberals. That is exactly what our government is doing. It is resurrecting all the sins of the past and it is trying to cure them. One cannot cure them all in one fell swoop.

I suggest that the Treasurer brought in a very fair and open budget. This was probably the first time the members have had an opportunity to follow along with the budget. That represents more than just a symbol of the openness of this government. It represents an appeal to the people of this House to try to join together to look at the positive aspects of the budget and the direction in which it is going.

I believe tradition says the official opposition is to oppose, but surely to heaven that does not mean that when one looks at the measures that are in this budget one has to continually object and put them down. On numerous occasions during question period, the Premier has invited the members on the other side of the House to give us their ideas and to assist us. Let us try to put it together. Let us try to put this province together.

Surely to heaven if we were sitting down to work out a budget in our family and there was \$100 coming in, we would not spend \$200. We would ask for the benefit of the advice of other members of the family. Surely that is what we have in this province; we have problems. I see young people every day between the ages that are

provided for in the Futures program who wander around aimlessly without jobs and get themselves into trouble. They usually wind up seeing me and then wind up in the courts. It costs us endless amounts of dollars. Forget about the dollars—it is the human loss; it is the human treadmill these people get on because they do not have jobs.

I suggest this budget addresses that front and centre. The programs introduced by the Minister for Skills Development (Mr. Sorbara) are excellent. This is the first time I have seen steps taken in attempting to get those people back into the mainstream of employment and off the treadmill. They are steps that have to be taken to bring back the members of Ontario society and get them out of the problem of lack of employment. If we get them employment, they then can afford appropriate accommodation. I suggest that is one step, a giant step, that has been taken.

It is interesting that the Ministry of Northern Affairs and Mines should be changing to a new name, the Ministry of Northern Development. That is exactly what the \$100 million will be used for—development. The minister is inviting the ministers and other members of this House to travel to the north and to learn something about it. That is a very positive step. In the past, it is my understanding the north has been represented by one member in a cabinet position, the member for Kenora (Mr. Bernier).

Interjection.

Mr. Callahan: Have there been more than that?

An hon. member: Yes, many more.

Mr. Callahan: All right.

In any event, in the past we have failed to invite the opposition to join us in a partnership, to travel to the north to determine what can happen to that \$100 million. There are great prospects, great possibilities for that.

When I look at my own riding of Brampton, one of the fastest growing ridings in Ontario, I see the problems that have existed for the last eight years in hospital funding and the problems that have accrued as a result of the enlargement of the population and the lack of school facilities. I suggest they have been addressed in a framework in which they have not been addressed in the past, as far as I know.

This government has also taken a realistic approach to the question of budgets for municipalities. The Treasurer has had enough foresight to indicate to the municipality the increase it will receive in the year beyond this, so that it can plan and budget. It will not overspend. It will not be

anticipating greater benefits. It will be able to bring its fiscal house in order.

I would submit that the budget itself not only looks at the framework of problems with the unemployed and youth, it also looks at the question of enhancing our educational institutions, which for a long time have been neglected. Universities have been faced with the situation of not being able to replace much needed equipment and also update to bring them into the future, into the 21st century.

In the past, we have found seniors have been lumped in a predicament with other people of a different stripe and did not have their own personal ministry. This has been established by our government. Now \$11 million has been granted to seniors on an annual basis to strengthen their position; to assist them in that regard. There is a resource that we have neglected sorely. The government of the past has made every move with respect to trying to package these people and put them away. This government is encouraging them, through increased funding and the establishment of a specific ministry, and saying to them, "We need your help, advice and wealth of experience." I suggest that will be forthcoming.

On the question of the income tax increase, we all recognize that the cost of living gets greater for all of us every year. The cost of government does also. If we are to provide all the services all of the people in the House wish to provide, we must have the money to do it, so we have to increase income tax. I doubt there are many Ontarians who would be upset with that fact if they recognize their own household budgets require some type of increase each year to keep them going.

As well, one of the most refreshing aspects of this budget is the fact it has been approached in a businesslike fashion. The Treasurer and the cabinet have gone into this budget as though they were buying a business. They have written off assets that were uncollectable. They have reduced prices to their realistic values. That is a step towards a responsible future way of budgeting. One cannot continue to carry items on the books at an inflated value and play smoke and mirrors with the people of Ontario. That is one of the most wholesome aspects and perhaps one of the things that immediately jumps out at someone who looks at this budget. There was a fair and honest approach taken.

5:40 p.m.

With respect to the question of the retail sales tax, everybody jumps on the question of a meal

under a dollar. I am not certain whether it has been picked up in this House, because when the Treasurer has tried to tell the opposition the amount of money this has cost the province there has been so much noise over there that one could not hear him. However, that represents some \$34 million in retail sales tax, which means there must be a great number of meals being taken for under a dollar; certainly coffees, candy bars, etc., and perhaps even the Danish the member for York Centre (Mr. Cousens) tried to give the Treasurer.

Mr. Eakins: There used to be a \$6 exemption, and those fellows took it off.

Mr. Callahan: That is right.
Interjections.

The Deputy Speaker: Order. The member for Brampton has the floor.

Mr. Callahan: The elimination of several corporations that had absolutely no function whatsoever is an upfront move. It is an attempt to bring the budgetary process into a reliable document that can be counted on not only by the people of Ontario but also by people we deal with in respect to credit ratings. This is a fresh approach to the entire process.

All in all, the budget itself attempts to address the problems that farmers are having as well.

Mr. Villeneuve: "Attempts" is right.

Mr. Callahan: I would suggest to the member that, in recognition of the difficult economic times they are in, steps have been taken in those directions where they will be of assistance to the farmers, and there will be continued assistance for farmers, I would think, in future budgets. But at least it is being done; at least the position is being taken. At the other end of the spectrum, we try to do things here and the federal government in Ottawa does somewhat the opposite. It is simply not a co-operative measure; it does not result in positive effects.

The Treasurer's suggestion of investigating through Ottawa the return to some benefits to this province for capital gains is a good one. The night I heard about the \$500,000 exemption in the federal budget to taxpayers on capital gain, I literally almost left and returned to the executive suite to get sick. If that is not an affront to the majority of Canadians in this country who are not in a position to take advantage of it, I do not know what is. It was like Robin Hood stealing from the poor and giving to the rich.

When the Treasurer introduced a hope that we would be able to regain the approximately \$125 million that is lost to the citizens of this province,

it was a move that I suggest was fair, open and above board. I would think it would be applauded not only by Canadians who perhaps are near the line where they can take advantage of that capital gain benefit but by all Canadians. I do not think Canadians particularly like the idea of feeling that there are people who are have-nots in this province while they have particular tax programs that give them significant benefits.

There are Canadians who, even though the tax benefits are there for them, feel a bit queasy about the fact that there are bag ladies on the street and there are people who are unable to afford accommodation, who enter into situations such as some of the people in my riding do, where we have to put a woman and her five kids up in a hotel because there are no accommodations.

The Treasurer has addressed that as well in a sensitive fashion. He has provided for the establishment of 10,000 units of low-cost housing, and they are very sorely needed. I would submit as well that this need must reflect the slowdown or the total inactivity in the building of these accommodations in the past.

In my riding alone I am embarrassed to answer the phone. It is even worse than that. I feel a great moral outrage when people call me on the phone who are unable to be accommodated with a decent roof over their heads and have to be accommodated in a hotel. We have gone a long way. The Treasurer in his budget has been fair in making a start—I would suggest it is a start—towards accommodating those people.

In addition to that, effort has been put into establishing rental accommodations, which clearly are necessary in this province, through the introduction of the 5,000 units that are going to be assisted financially. This is an attempt and a genuine effort towards sensitivity to the needs of the renters of this province.

The creation of an excellence fund for the university is a recognition of the commitment made during the election that we were concerned about the people in our universities and the education they could receive. The commitment to not increasing their tuition fees beyond the point set out in the budget is an effort to say to our young people: "We wish you to go to university. We recognize the economic climate in which you are carrying out your university education. We recognize that you had difficulty in getting jobs during the summer and, therefore, we are not going to put an additional burden on you."

That is a very sensitive approach to the question of a budget. This historic budget is a

sensitive one that attempts to recognize the needs of those Canadians who are facing difficulties, whether it be in the educational system or the housing system, in the question of balancing their own budgets.

It is a budget that is not only historic in that it is the first Liberal budget in 42 years, but in the degree of sensitivity that has been put into it with a view to creating a budget that all Ontarians can look at, and perhaps Canadians in other provinces can look at, as a very sensitive and humane budget.

Mr. Runciman: On a point of order, Mr. Speaker: In the normal rotation, I think the New Democratic Party would have spoken before the member for Brampton (Mr. Callahan). They declined to do so. I want the record to note that. That is another nail in their coffin as a credible opposition.

The Deputy Speaker: That is not an appropriate point of order.

Mr. Warner: On a point of order, Mr. Speaker: We attempted to accommodate the members in proportion to the caucuses so there would be no—

The Deputy Speaker: That is not a legitimate point of order either. Does any other speaker wish to participate in this debate? The member for Scarborough-Ellesmere.

Mr. Warner: Like other members, I appreciate the opportunity to participate in the budget debate.

Hon. Mr. Eakins: Is the member going to resign?

Mr. Warner: I would not resign, simply because the member opposite would be very disappointed. I am not one who likes to bring disappointment into people's lives. The member knows that and the Speaker knows that.

I wish to deliver this speech in two parts, the good things and the bad things.

Mr. Allen: And in two languages?

Mr. Warner: No, not in two languages, I have trouble enough with one.

I want to start with the good things. Most members, if they are being honest with themselves as well as with others, will admit that in all things in which we participate around here there are positive things and negative things. To think we live in a simplistic world where all things are either totally bad or totally good is silly; it is not reality. The reality is that there are some good things about the budget and some bad things. Let me start with the good things.

One of the things that appealed to me was the language that was used in the budget. It was understandable; it was in plain English. That was kind of nice. There was not a lot of fancy words, not a lot of accountants' talk or lawyers' talk; it was in language that all us ordinary citizens can read and understand.

One of the things that struck me and which I thought was interesting was on page 3 of the budget statement, "Ontario's Investment in Suncor." The Treasurer could have, as was the wont of past Treasurers, indulged in some fancy language around the investment, how that occurs, what is done with the money and so on but not this Treasurer. He said: "The share purchase was financed by a \$325-million cash payment through the Ontario Energy Corp. and a \$325-million, 10-year, 14.357 per cent note due to the Sun Note Co. This was a bad deal."

I do not know when the last time was that a member of the House read a financial document where there was a five-word sentence and all the words were understandable. "This was a bad deal," the Treasurer said in nice, straightforward language. I understand it and my constituents understand it. There is no fancy language, and I liked it.

Mr. Sargent: Typical Tory deal.

Mr. Warner: The fact that it was a bad deal, yes. The Tories made only bad deals. They never made good deals.

There was straightforward language all the way through and a realistic presentation. Certain key terms came up all the way through it such as "realistic," "fiscally responsible," "unfortunate investment." It is a language all of us can appreciate.

What was also nice about the budget was that there were none of the nasty little hooks in it that were always present in Tory budgets.

Mr. Villeneuve: Not nasty.

Mr. Warner: Nasty is a polite word for what was evident in every Tory budget presented in this place.

Mr. Runciman: That is the government over there. The NDP members forget that all the time.
5:50 p.m.

Mr. Warner: Nastiness was always evident. The ad valorem tax was mentioned earlier by the member for Oshawa, and he was absolutely right. I question whether the ad valorem tax was really legitimate. The principle behind taxation in a parliamentary system goes back many hundreds of years to Magna Carta. That is where it all started. How does taxation come about

through Magna Carta? When the people won that little battle at Runnymede, they decided they could not have taxation without legislation. The people had to have a voice in parliament before taxation could be brought about. That was what Magna Carta was all about.

That was carried forward into our country through 1867 and into our present Charter of Rights and Freedoms. It is our practice, our principle and our historic presence which say that we do not impose taxes without legislation. The ad valorem tax allows an increase in taxes automatically without any reference back to the Legislature. I submit that is a wrong principle. It is not in keeping with our principles of taxation which we took many hundreds of years to establish. It is a bad principle.

Many members know that it was also a reflection on how the Conservatives viewed the Legislature. Particularly in the last half dozen years, it became evident that the Tories had nothing but disdain for the Legislature. During the four years of majority government, it became painfully evident. It was impossible to get the former Premier into the House in the last several months. He washed his hands. He did not want to be around here. He did not want to be part of this. He just disappeared.

The tax was an indication: "Why should they come into the House to debate taxes. Slap them on the people and let them pay for ever. As prices go up, taxes go up. So what? We do not feel we have any responsibility to debate taxation in the House." That was the Tory attitude—a total lack of respect for the parliamentary system and in particular for this Legislature. It was consistent, determined and planned. This was not an accident.

I watched some of that unfold when I had the privilege of serving here before—

[Applause]

Mr. Warner: One applause is better than none. I was on sabbatical for four years. Having completed my sabbatical, I am pleased to be back here. During that period of time, from 1975 to 1981, it was quite evident to me that the Conservatives had a little plan to try to downgrade the importance of this Legislature and part of that had to do with taxes.

The Speaker will recall that one taxation move hit home very pointedly when the Tories attempted to raise Ontario health insurance plan premiums without coming to the House.

Hon. Mr. Eakins: Where is Darcy now?

Mr. Warner: He is out of work. He is in the same category as some baseball managers. He is

scrounging about for work somewhere. I doubt he is going to be on the soup line, though.

Mr. Villeneuve: He needs a good union.

Mr. Wildman: I think it is called the Tory senate.

Mr. Warner: The only thing he needs is a bus ticket.

The members will recall that during the debate on the OHIP premiums there were two basic problems. One was that the Tories refused to consider this as a tax, which in fact it is. Second, they did not want to bring it to the Legislature for approval. This was some kind of measure which they could simply impose on the people of Ontario without having any regard for the parliamentary process. On both counts they were sadly mistaken about how things should happen in our parliamentary tradition.

An OHIP premium is a tax. It is a tax which is levied on individuals to pay for health care. It is a very sad sort of tax and one which is outdated and obviously needs to be discarded. I will come back to that later on in my remarks.

To set the stage, we have some good things at work here. First, the Treasurer has decided to print the budget in a language we can understand, and that is kind of nice. He did not put in nasties such as an ad valorem tax. In the previous Tory budget, they decided they would tax feminine hygiene products, which was obviously a very unwarranted and nasty thing to do. The Treasurer stayed away from those sorts of things and for that he should be applauded.

[Applause]

Mr. Warner: Not a lot of applause, just some.

The other thing I like about it is contained in the accompanying document called Reforming

the Budget Process, A Discussion Paper. What the Treasurer has in mind is certainly in keeping with what has been discussed in the august standing committee on procedural affairs and agencies, boards and commissions. That committee has been discussing how we can open up the process.

It is essential for several things to happen in the budgetary process. I am watching the clock, but I have to complete this point. The budgetary process has to be opened up so that members of the assembly have the opportunity, regardless of the party to which they belong, to make positive contributions to the budget process, suggestions on what things could happen.

I would like to see an opportunity for the general public to be involved in some meaningful way in that dialogue as well. Why can we not hear from the general public as to what items they think should be included in the budget? That should not be viewed as threatening to the government. Because they hear ideas, it does not mean they they are obligated to accept all of those ideas, or any of them for that matter, but there is at least an opportunity for the public to voice its concerns about the kinds of things it would like. That breaks away from the secrecy that has cast such a pall over this chamber for so long.

Mr. Speaker, as you have noted, the general public was not informed I was on the speakers' list, so I wish to adjourn the debate.

The Deputy Speaker: You will resume at eight o'clock. I would like to draw the members' attention to the swearing-in ceremony taking place on the great staircase.

The House recessed at 6 p.m.

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No. 34

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First Session, 33rd Parliament

Tuesday, October 29, 1985

Evening Sitting

Speaker: Honourable H. A. Edighoffer

Clerk of the House: R. G. Lewis, QC



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LEGISLATIVE ASSEMBLY OF ONTARIO

Tuesday, October 29, 1985

The House resumed at 8 p.m.

BUDGET DEBATE (continued)

Resuming the debate on the amendment to the motion that this House approves in general the budgetary policy of the government.

Mr. Warner: As members will notice, over the dinner hour the information went out and the galleries are now filled.

I began my remarks just before the supper break, and the Treasurer (Mr. Nixon) did not have the opportunity to listen to all my remarks. Apparently he wishes I would repeat them. I think instead it would be more beneficial if he read Hansard.

I can say that over the supper hour I had some discussion with members of the public. This is the positive side, the good-news side. Through it all came the comment that no matter how we may feel about what is good and what is bad about the budget, the Treasurer is an honest man. That is probably the highest compliment one can pay a person, that he or she is an honest person. The Treasurer has earned that very deserved reputation of being an honest person over many years in this House.

Unfortunately, as we concluded at six o'clock, I had reached the end of the good-news portion of the budget. To make a short summary, since the Treasurer is here, the good-news side of it is that first of all the budget was in a language everyone can understand: clear, straightforward and easy to read. There were no real nasties in there of the kind the Tories always put in. There was some indication of progressive things, and we like that. There were some very positive things.

However, there are some bad things. This is the news the Treasurer probably does not want to hear, but unfortunately he must listen to the truth along with the other things he is obligated to hear.

The gasoline tax is wrong. Why is it wrong? The reason is that, while the Treasurer removed the thing that progressive people object to—that is, the ad valorem tax, a continuous escalation of tax, something any democratically minded person would object to—he has replaced it with a tax that is higher.

Hon. Mr. Nixon: It is 0.4 cents per litre.

Mr. Warner: It is higher. I understand the Treasurer is saying it is not a huge sum of money. I admit that; it is not a huge sum of money. However, it is an added punishment, especially to the people in the north.

Hon. Mr. Nixon: In north Scarborough?

Mr. Warner: No. I meant northern Ontario. The folks in the metropolitan areas will live with the 0.4 cents a litre or whatever; they will survive that.

Hon. Mr. Nixon: Eight dollars a year, a matter of high policy.

Mr. McClellan: Come up to northern Ontario. Make that speech all through northern Ontario and you will lose half your caucus.

Mr. Warner: The hardship—\$8 a year. Is the Treasurer going to restrict the number of kilometres people drive? Eight dollars a year will not get the folks to and from work.

Hon. Mr. Nixon: Our northern caucus will be decimated.

Mr. Gillies: It already is.

The Deputy Speaker: Order. The member for Scarborough-Ellesmere has the floor.

Mr. Warner: Thank you, Mr. Speaker. I appreciate your civility.

The point to the Treasurer is that it is a hardship for people in the north. I can appreciate it is difficult for the government to understand that. His party has one northern member, and today that member was quite silent.

Hon. Mr. Nixon: The Treasurer used to live in the north.

Mr. Warner: North Dumfries?

Hon. Mr. Nixon: No; Algoma.

Mr. Warner: Yes; before he was asked to leave.

Purely and simply, the gasoline tax has to be repealed. I think the Treasurer understands that, and I am sure he will accede to it.

Hon. Mr. Nixon: How about freezing it and letting ad valorem take its course?

Mr. Warner: Ad valorem will disappear, right?

Hon. Mr. Nixon: Not if my friend's party votes against it, as it is going to. How about making that speech in the north?

The Deputy Speaker: Order.

Mr. Warner: Now comes the hidden agenda.

The Deputy Speaker: The member is having trouble following his line.

Mr. Warner: I am following the Treasurer's line, and I do not like it. The hidden agenda has suddenly been revealed: Vote against the increase in tax and the ad valorem will stay in place. What a regressive thing to do for the progress of government.

Hon. Mr. Nixon: It will stay in place unless the member's party votes for the bill.

Mr. Warner: That sounds like a threat to me, and I do not respond well to threats.

Hon. Mr. Nixon: That will make a great speech in the north and in the south. It sounds like a good election campaign.

Mr. Gillies: I am liking this more and more.

Mr. Warner: I do not respond well to threats at all.

Hon. Mr. Nixon: It is not a threat.

Mr. Warner: The member for Brantford (Mr. Gillies), the member who is continually removed from the House, has a lot of nerve because it was his colleagues who put the undemocratic tax, the ad valorem tax, in place. Let us not hear anything from him.

Mr. Breaugh: Would you say that is hypocritical?

Mr. Warner: It is very typical; hypocritical.

We are obviously going to deal with the gasoline tax in due course, and I am sure the Treasurer will amend certain things. Now I want to deal with his 99-cent bonanza. It is unbelievable.

Hon. Mr. Nixon: The member is very hard to please.

Mr. Warner: Does the Treasurer know why I am hard to please? It is because I aim for quality. That is why I am hard to please, and the government has not pleased me.

I want to deal with the 99-cent bonanza the Treasurer speaks of. I can think of only one little group of people to whom this \$1 tax break applies: the muffin-and-coffee set in downtown Toronto. I do not know of anybody else. It sure as heck is of no effect to the majority of my constituents. As has been recognized, it is a step back from the campaign promise; it was to be \$4. Was that the promise?

Hon. Mr. Nixon: That is right. This is one timorous step towards that goal.

Mr. Warner: One timid step, and now are we going to make a quantum leap in the spring?

Hon. Mr. Nixon: It may be another step.

Mr. Warner: I wait patiently.

Hon. Mr. Nixon: My friend gets E for effort.

Mr. Warner: If nothing else, I have learned in politics that patience is not simply a virtue but also a necessity. With the other government, it was absolutely futile. In this case, however, we will wait patiently for the spring. With the spring comes really nice things, including the removal of the tax up to \$4.

Hon. Mr. Nixon: I am not going to go that far.

8:10 p.m.

Mr. Warner: I do not know about you, Mr. Speaker, but I cannot find a \$1 meal anywhere. The Treasurer seems to think there is a \$1 meal.

Hon. Mr. Nixon: The member eats at all the high spots; that is why.

Mr. Epp: La Scala, Winston's—no wonder he cannot find any.

Mr. Warner: La Scala? La Scala does not give you iced water for \$1.

Mr. Epp: I know. That is why the member cannot find it.

Mr. Warner: I do not frequent those posh places. Then again, I am not in the cabinet.

Mr. Breaugh: Neither do I, unfortunately. Can the Treasurer correct that?

Hon. Mr. Nixon: I am fading away.

Mr. Warner: Mr. Speaker, since I have the floor, I wish to interject in the conversation that is occurring between the member for Oshawa (Mr. Breaugh) and the Treasurer. Do they remember the note that said, "Do not heckle your own members?"

I understand and sympathize with the Treasurer. He has a severe problem when he comes to introduce positive measures because of the imposition of the federal government. There is no question about that. One has to wonder how much damage can be done in four years by the Mulroney horde in Ottawa. They are well on the path to destruction. We understand that.

In particular, what is of intense interest to Ontario is the transfer payments. The transfer payments to provinces are under attack; and as they are, this province, like others, will suffer. The government in Ottawa seems bent on economic destruction, and it is doing a good job of it. I am going to come back to that later,

because it impinges very directly on one of the programs announced by the government.

In general, the Treasurer has a problem in trying to meet expenditures that are necessitated by the federal government's reluctance to fund programs it should be funding. This poses a problem; I appreciate and understand that. The problem for the Treasurer then is to come up with creative ideas that get around the barrier placed by the federal government.

What is sadly lacking in the budget is job creation in the widest sense. The government introduced its program called Futures to deal with youth unemployment. The program in fact is a bit of a shell game, and I am going to deal with that in a moment; but that is the only positive suggestion put forward in the budget with respect to unemployment.

The overall question of unemployment for all age groups is not addressed. There is no job strategy; there is no economic strategy; there is no sense of direction as to where we are headed with regard to full employment. In fact, there is not a statement about full employment, and that bothers me deeply. Surely to goodness we should have as an underlying concern that we should be developing full employment. That should be a goal, an aim. We might not reach it, we might fail in our attempt; but at least we should set out our objective as being to achieve full employment. The government made no such statement.

The government addressed itself to youth unemployment, but again it missed the mark. What it has probably introduced is a bonanza for the McDonald's folks: free employment. It is a great program if one wants to bring young people in at minimum wage, if one is the employer and one does not have to pay the wage. The government will pay the wage; it will pay the \$4 an hour. After the 16 weeks are up, one brings in another group of people and it does not cost a penny.

I do not know how that gets passed off as skills training. It is not skills training; it is free employment. This is what I call the Golden Arches proposal. People such as McDonald's will love it. These folks are absolute masters at exploiting labour. They will love this. It is a gift.

The aim of the program apparently is to reach those young people who are chronically unemployed, who have dropped out of school, the street kids. It does not reach them and it is not going to. We are talking about a maximum of 16 weeks of life skills courses. I am sorry, but the Minister of Skills Development (Mr. Sorbara)

does not understand the streets. He is not going to reach those kids with \$100 a week.

To a young person, aged 17, in the city of Toronto, who has been kicked out of his house and is trying to live on his own, \$100 a week to get himself housing and food is totally unrealistic. It is not going to happen. That young person is better off on welfare. The program is not going to reach the targeted group.

Furthermore, the government misses the mark again because the challenge over the next five years is the group of people between the ages of 25 and 36. They are the challenge. Whatever studies one wants to read will indicate the group that is going to be hardest hit over the next five years in terms of unemployment is the group between the ages of 25 and 36, not the under-25 group. There is absolutely nothing in the budget that addresses itself to that problem, and that is a serious omission.

As far as I can determine, the government has not yet come to grips with an employment policy. It has not come to grips with the reality that in some towns the problem is not unemployed youth but people between the ages of 25 and 40. These people have families whom they cannot support. There is not a single word about it in the budget; it is a glaring omission. It is a problem this government is going to have to address, if it has any conscience at all about employment.

I want to dwell on employment for a moment because we sometimes forget about the concept of full employment. What does full employment mean to the individual? There is a sense of self-worth when one has a job. There is a sense of belonging, of contributing to society, of being an important member of society, if one has a job.

8:20 p.m.

I was reflecting the other night that for the first few years after I was elected, the most common difficulty presented to me in my riding office was housing. Since I was returned in May, the most common problem in my office has been unemployment. Every week people come into my office absolutely desperate for jobs. For the most part, they are not young people. They are people in their 30s, 40s and 50s. They have families, responsibilities, mortgages, etc., and they do not have jobs. They are highly qualified, they have all kinds of skills and background and they cannot get work. They have reached a state of absolute desperation.

What does one tell someone who is aged 40 with a couple of children, a house and mortgage, and has been unemployed for a year and a half? What kind of hope can one give? Full employ-

ment is something that should not be easily dismissed. It is crucial to our society; it is absolutely crucial. Members should understand that.

When we talk about job creation we have to talk about the role of technological change. How many people are we going to displace because of technological change? How many people will we replace with the new technology? How do we re-equip our labour force to take those jobs? There is nothing in the budget about that. There is nothing here which addresses itself to that technological change, but it is here. Some members may wish to pretend that it does not exist, but it is here, it is real.

When my colleague the member for Oshawa spoke about the robots being put into the General Motors of Canada Ltd. plant, that is not an isolated incident. It is happening throughout our industries. It is robotization and automation. What do we say to those workers who are thrown out of jobs? Are we looking at retraining? Are we trying to make sure they acquire new skills for a different market? No, we are not.

Do members know what the federal government is saying? Just a minute, Mr. Speaker, I want to make sure I have it accurately. The federal government says there is a new direction for federal training and job creation policies. It intends to direct job placements through the Canada Employment and Immigration Commission, which used to be called Canada Manpower.

It intends to direct those places only if there is an actual job. Gone is the notion that a person can go into a community college, acquire a skill and then go out to the job market. No, the federal government does not want that. It wants to train a person only if there is a specific job available. Otherwise there will be no money available. This is a direct threat to the community colleges of Ontario.

I have here a further item that I have learned from direct conversation, although some members may have trouble appreciating this or accepting that it is factual. In what has proved to be an extremely valuable and useful program, at West End Machining, a place which has been involved in helping young women to become trained in mechanics, the federal government's approach is that women should not be trained for high-paying jobs. Can you imagine that? That is the Tories in Ottawa. Women should not be trained for high-paying jobs and therefore the federal grant through the CEIC to West End Machining will be cut off.

I do not know where these folks are coming from other than the 18th century. It is incredible. The problem then is dumped on to this Legislature. I think, quite frankly, the Treasurer has an obligation to deal with it.

West End Machining should not under any circumstance be allowed to die. It is an absolute must that it be sustained. The funds involved are relatively minuscule in comparison with the gigantic budget presented by the Treasurer, but the benefits to essentially disadvantaged women who have been convinced that they should re-enter the job market with new skills are very important for this government to support.

I will be coming back, first to the Minister of Skills Development and then to the Treasurer, in looking for money for West End Machining. I hope he has his cheque book out and the pen in working order, because it needs the cash. There is no point in counting on the federal government; we know its attitude. The federal government is Mr. Mulroney.

Hon. Mr. Nixon: Who wants the cheque?

Mr. Warner: The cheque is required for West End Machining.

Hon. Mr. Nixon: West End Machining. Shall I just make it—

Mr. Warner: "West End Machining" is how the Treasurer makes out the cheque.

Mr. Breaugh: If he will sign his name, we will fill the rest in. Do not worry about a thing.

Mr. Warner: Just sign it. How much does it need?

Mrs. Grier: In the riding of Lakeshore.

Mr. Warner: How much does it want?

Mrs. Grier: I do not know. A couple of hundred thousand dollars.

Mr. Warner: This is supporting disadvantaged women, single-parent moms who have been retrained as machinists—

Mrs. Grier: And auto mechanics.

Mr. Warner: —and mechanics. That program is about to be axed by Mr. Mulroney.

Hon. Mr. Nixon: Oh, well.

Mr. Warner: They require the Treasurer's help. We cannot atone for all the sins of the ancients in Ottawa, but we can do something.

I want to speak for a few moments about health care. There are a few little problems in the budget with respect to health care. Somewhere there has to be a beginning to end the Ontario health insurance plan premiums. They are an unfair tax.

If this Treasurer will allow, I am using the same kind of straightforward language he used in the budget and I am saying—

Hon. Mr. Nixon: Are we back on the gas tax?

Mr. Warner: No. The Treasurer has drifted off again. He is back in South Dumfries. I am saying the OHIP premiums are an unfair tax.

Hon. Mr. Nixon: I have frozen them.

Mr. Warner: Right. The next thing to do is to melt them. I am glad the Treasurer has frozen them; I want him to melt them so they disappear. They are to melt away bit by bit till they are no longer. They are an unfair tax.

Hon. Mr. Nixon: If I do that, where am I going to get the taxes?

Mr. Warner: Wait and see. The world will unfold.

Hon. Mr. Nixon: Are you mixed up or are you mixed up?

Mr. Warner: I can only be accused of being mixed up once I got in league with the Treasurer. Until then, I knew exactly what I was doing. Things are a bit more confused these days.

Mr. Epp: The member has greater clarity now than he had four years ago.

The Deputy Speaker: Order. Would the member please address his remarks to the chair?

Mr. Warner: Of course, Mr. Speaker. I am most pleased to because I know you are listening.

I have some considerable remarks to make about the health care system and I wish to address them directly to the Treasurer through the Speaker. I want to put them in a certain framework, which I am sure the Treasurer will appreciate. I am starting from this base.

8:30 p.m.

In our family Bible there is a little newspaper clipping which I will always keep, which my children will always keep and my grandchildren will keep; that is, the announcement of the sale of my grandfather's house. The house was sold to pay medical expenses. My grandmother was sick for 10 years, during which time my grandfather attempted to pay the medical bills. The bills became so severe that he had to sell the family house. My grandmother died shortly thereafter and my grandfather died at age 70. He died in a one-roomed flat with a hotplate and a cot. That came about because we did not have public health care.

I will retain that little notice as a reminder we never turn back the clock. I do not want anyone in Ontario to go through what my grandfather went through. It was a disgrace, totally uncivilized. It should never have happened. It would continue today if the Tories had their way. They fought medicare tooth and nail. They were dragged into

medicare in the early 1970s. They did not want to do it. They had no interest in doing it.

I remind the Treasurer, as he goes through his deliberations about what should and should not be spent, medicare arrived in Saskatchewan at a time when the NDP government, the Co-operative Commonwealth Federation as it was known then, inherited a bankrupt government. One third of the provincial budget went to the interest on the debt and yet Tommy Douglas had the courage to bring in a public health care scheme. Why did he do that, against all the economic odds? Because it was desperately needed.

The Treasurer should keep that in mind when he starts looking at extra billing, drug benefits, privatization in the medical market and extending dental care to elderly people.

Hon. Mr. Nixon: We must have a committee on that some time.

Mr. Warner: We are supposed to do that. I suppose it is percolating somewhere. When the Treasurer looks at the cost of each of these adjuncts to our public health care system—

Interjection.

Mr. Warner: Of course it will. I will come to that in a minute. I have a little more to say on that.

An hon. member: It is a revenue item.

Mr. Warner: Yes, but the Treasurer is probably going to look at it and say he is going to have to enrich the pot a little for all the doctors out there.

Hon. Mr. Nixon: There is no way. That is just a personal opinion.

Mr. Warner: It is funny, but the Treasurer's personal opinion carries weight. He has indicated that in no way is the pot being enriched. I am glad. It is interesting that he is here and some of his colleagues are having their arms twisted at the Ontario Medical Association banquet up the road.

When we look at prescription drugs without cost; dental care for senior citizens, children and the rest of the population through the staged program, and all of the medically necessary treatments which are not now covered by OHIP, at prosthetic devices or whatever it is, they are expensive. Please keep in mind that when public health care came into Canada, it was brought in by a government faced with bankruptcy and it made it happen.

Hon. Mr. Nixon: Thank God for Lester B. Pearson.

Mr. Warner: Thank God for Tommy Douglas. He was the guy who made it happen and the

Treasurer knows it. When he brought it in, he said it was more important than our—

Hon. Mr. Nixon: Triple-A rating.

Mr. Warner: Yes, and then I think it was more like a Z rating. This is a heck of a lot more important, so we are going to do it. I am asking the Treasurer to take that perspective because when it is all boiled down, if one is trying to run the province well, in the interests of all the people, one looks at health, education and social services. Right? Those are the big three.

Hon. Mr. Nixon: One has to pay the bills, though.

Mr. Warner: They are the money bills. Right.

Hon. Mr. Nixon: One cannot have it both ways, unless one is a permanent opposition.

Mr. Warner: But where there is a will, there is a way.

Hon. Mr. Nixon: I cannot print money.

Mr. Warner: In fact, the Treasurer can print money. No, he cannot personally; he has to go up to Ottawa. I am not suggesting that the Treasurer print money.

Hon. Mr. Nixon: Yes, the member is.

Mr. Warner: No, I am not.

Hon. Mr. Nixon: The member is saying, "More services with lower taxes."

Mr. D. S. Cooke: No, with fair taxes.

Mr. Warner: Fair taxes.

Hon. Mr. Nixon: It is 0.4 cents a litre.

The Deputy Speaker: Order. This is becoming a debate back and forth. The member for Scarborough-Ellesmere has the floor.

Mr. Warner: Thank you, Mr. Speaker. Despite the heckling from my colleagues, I still have the floor.

I am not suggesting that the Treasurer print money; I am not talking about his gas tax. I am, however, talking about what the member for Oshawa raised earlier in this debate, and that is the rather quaint notion that we tax rich people—incredibly novel, even radical. The Treasurer started on the route. I appreciate and acknowledge that he has started on the route and has introduced a somewhat modest beginning. I am suggesting he has to strengthen that.

We in this House all know—and I know it hurts some members of the House to hear it; it falls as tough news upon their ears—that there are people in Ontario who are paid, I will not use the word "earn," \$100,000 or \$200,000 per year and do

not pay a single penny of income tax, not a penny. That, to me, is unfair.

An hon. member: Name them.

Mr. Warner: We do not need to name them; we have the names. Does the member want the names? I did not want to talk about his relatives, but if the member wishes me to, I will.

That is what bothers me about the surtax. What is three per cent of nothing?

Hon. Mr. Nixon: Speak to Mulroney.

Mr. Warner: The Treasurer says, "Speak to Mulroney." I tried that. It is like going out and talking to a tree. He has absolutely no interest in taxing the wealthy. He campaigned on it during the election, but then when he got into Ottawa and he had 200 seats, it was a different story. He decided to bring in a surtax. The surtax, of course, was a surtax on nothing, because if one is not paying tax now, what the heck is a surtax? The folks who are actually paying their taxes honestly, who are filling out the forms and are not into the loopholes, pay a bit more.

I suggest the Treasurer is on his way in the right direction. What I am also urging him to do, however, is to accelerate that and, as he does it, to put pressure on those nasty folks in Ottawa, because they are the ones who have to amend the tax system so that people who earn large sums of money actually pay tax.

Quite frankly, I am tired of carrying the rich on my back, thank you, as most of the workers in this country have been doing for 100 years. We are tired of corporate subsidies. We are tired of corporate welfare. We are tired of carrying the rich and giving them a free ride.

Hon. Mr. Nixon: What is the average teacher's salary in Scarborough?

8:40 p.m.

Mr. Warner: I do not know. The Treasurer hands out the money. Let him tell me.

It is interesting. I am glad he raised that. Teachers pay tax. Stockbrokers do not; teachers do. Is that not right?

Hon. Mr. Nixon: Teachers pay stockbrokers.

Mr. Warner: Teachers pay income tax and stockbrokers do not pay anything. Right?

Hon. Mr. Nixon: Okay. The member can have that.

Mr. Warner: Okay. The minister knows I am right. We have the screwiest kind of tax system one could think of. The more money one makes, the less tax one pays. Right?

Hon. Mr. Nixon: No.

Mr. Warner: The minister knows that is true. Once one reaches a certain threshold, above that one does not pay anything. It is totally marvelous. I want to link the corporate tax to that. The budget has made some increase in the corporate level, but it is not sufficient in my books.

Hon. Mr. Nixon: The member is clearing the galleries.

Mr. Warner: I guess that is because they are the minister's supporters.

The corporate tax level is not yet at the proper level.

Hon. Mr. Nixon: The highest in Canada.

Mr. Warner: No. Until this budget, it was the lowest.

Hon. Mr. Nixon: No.

Mr. Warner: Where is it now?

Hon. Mr. Nixon: It is 15.5 per cent. Quebec is 5.

Mr. Warner: Are they paying their fair share?

Hon. Mr. Nixon: Their personal income tax is a little higher.

Mr. Warner: I am talking about the corporate tax.

Mr. Mulroney said the country was bankrupt, which was a silly statement to make. The corporate tax owing would almost single-handedly wipe out the national debt; yet the Prime Minister said the country was bankrupt. If he demanded that corporations pay the taxes they owe, we would be doing very nicely, thank you. But no, in his strange world, Mr. Mulroney seems to think corporations deserve an even bigger break than they get. They have to pay their fair share. They have a responsibility and that responsibility goes beyond the tax.

Another thing not addressed in the budget is plant closure laws. I watched one, and it was fascinating. We had a General Electric plant in our riding which at one time employed close to 1,000 people. In the latter stages of its operation, it had 400. It made steam turbine engines. The company announced to all and sundry it had decided to close the plant. There was no market for steam turbine engines. General Electric was going out of business.

Just like that, they closed the door and 400 people were tossed out on the street. Many of those were good people who live in the Scarborough-Ellesmere riding and many others lived in Scarborough West. The plant happened to be on the boundary between them. Lo and behold, within a year General Electric was located in South America with a government

grant from Canada. What were they making in South America? Steam turbine engines, the same objects for which there was no market.

They now magically have a market, they have government money to do it and they can exploit cheap labour in South America while we sit idly by. There are no rules. A company can close a plant. That company has responsibilities to the community and to the families who have invested their lives in that plant. They built their homes and entire lives around working in that factory, and the company can pick up and go whenever it pleases. There is nothing to address that.

I want to speak for a few moments about care for seniors. The budget addresses itself to approximately \$11 million which will be directed towards seniors programs, but the government has a serious problem on its hands. First of all, the money is inadequate.

Hon. Mr. Nixon: Eleven million dollars?

Mr. Warner: Yes.

Hon. Mr. Nixon: Not a bad piece of change.

Mr. Warner: The problem is that the Treasurer missed my opening comments, in which I set the framework. I am saying to him that the things he has done in the budget are certainly more positive than those in any Tory budget we have seen in 40 years. The member for Brampton (Mr. Callahan) understands that. But there are certain deficiencies within that framework, and it is those deficiencies to which I am addressing myself.

One is in the area of care for seniors. There is no overall approach. It is not organized; it is disorganized. Why do we have home support programs in certain communities that are geared to helping seniors remain in their homes as long as possible, yet those programs are not available in other communities? I find this even in different parts of my riding. In a certain part of the riding, home care is available and in other parts it is not. That is just plain dumb.

The aim of the exercise is to make sure senior citizens can remain in their own homes as long as possible and as long as they wish to remain in their own homes. Doing that means a lot of different things. It means snow shovelling, cutting the grass, having somebody come in as a visitor. It means someone to come and do modest repairs around the home and it means meals on occasion or a visit by a nurse.

Do members know what? All of those programs are cheaper than institutional care. If that little economic bell rings a nice tone with the Treasurer, those programs are cheaper than

running institutions. They are not only cheaper but a heck of a lot nicer.

Hon. Mr. Nixon: It is all done by volunteers in the community, except for the nursing.

Mr. Warner: Good. There is an important role for volunteers. We have an extremely strong and excellent volunteer program in Scarborough. The volunteers at Bendale Acres home for the aged do an absolutely incredible job. There is a real role for volunteers, but we have to underpin it with some professional services, and that costs money. But the money is a heck of a lot less than what the Treasurer is shelling out to the privateers who are running nursing homes. We could substitute other words for "privateers."

Hon. Mr. Nixon: Privateers?

An hon. member: Buccaneers.

Mr. Warner: Yes, sort of like buccaneers from the 17th century. These are the swashbucklers who are ready to rob and plunder. There is no other business I know of in which one can recoup one's entire investment within three years, as in running a nursing home. It is gold, and these folks have it down to a science. The idea is that one buys the property and cuts the services to the absolute bare minimum. In fact, if one is really lucky, one can pass off folks who are not really professionals and pay them less.

8:50 p.m.

The Treasurer will recall that in 1976 I raised in this House the situation of a woman who came to my office and said she had been hired as a physiotherapist by the Kennedy Lodge Nursing Home but that she was not being paid as a physiotherapist. Does the member know why? Because she really was not a physiotherapist. She told them, "I am not qualified." They said: "That is no problem. Wear a little badge that says 'Physio,' and we will pay you \$5,000 a year less. You know what you are doing. Go ahead and do your physio."

Her conscience got to her. She came in and spilled the beans. We raised it here in the House. It is one of the little dodges in nursing homes where they get extra loot. That is what care for profit is all about. To a lot of the folks who run nursing homes, it is like running a hot dog stand.

Hon. Mr. Nixon: Has the member ever been in a good nursing home?

Mr. Warner: The Treasurer raises a good point. Are there good nursing homes? Yes.

Hon. Mr. Nixon: Even the ones that make a profit?

Mr. Warner: I have visited a good nursing home, but I have also visited rotten ones. The problem is that the government is saying people should make money from caring for elderly, sick people, and I say that is wrong. Caring for our elderly is society's responsibility, mine and the Treasurer's.

Hon. Mr. Nixon: But the member will not let me raise the taxes.

Mr. Warner: If the Treasurer wants to tax the rich people, he can go right ahead. I will certainly support that.

Hon. Mr. Nixon: This is a graduated progressive tax. If a person has a big car, he pays more. If he has a small car, he pays less. That is a graduated progressive tax.

The Acting Speaker (Mr. Morin): Order.

Mr. Warner: The Speaker is right, but the interjection is really fascinating.

Mr. Wildman: If one drives long distances, one pays more.

Mr. Warner: The problem in the nursing homes is manifold.

Hon. Mr. Nixon: How many folds is the member going to give us?

Mr. Warner: Many.

I want to start with the folks who are there. At both ends of the scale there are people in nursing homes who should really not be there. If we look at one end of the scale, the folks who require very little care would survive quite nicely in their own homes if they had a proper home care program, which is not now available. At the other end of the scale are people who require chronic care facilities and in many communities that is not available.

Nursing homes would have sufficient space to accommodate the people who really should be there if we had a complete home care program throughout the entire province and adequate chronic care facilities. Both of those have to be in place before we even talk about expansion of space in nursing homes. I think that is absolutely essential.

As far as seniors are concerned, there are a number of other issues that bother them greatly. I do not know whether the Treasurer is aware of this, but in my area and throughout most urban areas, one of the most serious problems is transportation. Seniors genuinely have difficulty with transportation. In a lot of cases there are seniors who are at home and are mobile but really have problems in navigating subways, buses and streetcars. I am suggesting we need a little more

imaginative approach as to how we supply appropriate transportation for senior citizens.

Hon. Mr. Nixon: Volunteers.

Mr. Warner: Volunteers may be part of the answer. I am suggesting that in some communities we need to integrate a taxi cab system with the public transit system. There is an opportunity here in some cases, with a blanket agreement on a flat fee basis subsidized through the seniors' program—

Hon. Mr. Nixon: They should not be making a profit on it, though.

Mr. Warner: No. It is a public service. It is an adjunct to the public transit system. That is just some food for thought, and I know the Treasurer likes to be fed.

Mr. Villeneuve: For less than a buck.

Mr. Warner: For 99 cents. We will save the taxi cab discussion for another day.

I want to suggest to the Treasurer that as he goes through his employment moneys, there is a connection with social programs. It is no accident, for example, that as Manitoba achieved the country's lowest unemployment rate, it also improved its social programs.

Hon. Mr. Nixon: Their gas tax is 8.9 cents per litre.

Mr. Warner: The Treasurer has a fixation. As my former colleague from Parkdale would say, "You have a fixation."

Hon. Mr. Ruprecht: Did you mention Parkdale?

Mr. Warner: Yes, I mentioned Parkdale, but I was referring to the high-quality former member for Parkdale. He would say the Treasurer had a fixation.

The Treasurer knows there is a link between the economic and social programs. As one develops industry, then one can develop one's social programs. Obviously, if one reduces unemployment, one has fewer payouts in social assistance, welfare and unemployment insurance, and the folks who are now working are paying the high tax. As that money comes in, it funds the social programs.

If the government is really serious about its election commitment to dental care, then it will stimulate the economy with respect to jobs. As it creates those jobs, it will get the money to fund the dental program, the programs for seniors, the health care extensions, all of those things. Maybe it will even remove the Ontario health insurance plan premiums, but it has to create jobs. That is the big gaping hole in the budget. There is

nothing about job creation aside from this little plan about unemployed youth, which we have already poked holes in. Unfortunately, it just does not do the job.

I want to speak a bit about education. Education is of great importance to me, because I think that as one develops a civilized society, a society of which all of us can be proud, one wants to develop one's health and educational programs. I think one views education as a life experience from the time one is born to when one dies.

What I see happening at the federal government level disturbs me greatly. Earlier on I remarked to the Treasurer about the federal government's idea that one supplies a place in a college only if there is an actual job at the end. That is very scary. Do you know what the funny thing about it is? That is what they do in Russia.

Hon. Mr. Nixon: They all work.

Mr. Warner: They do not have any unemployment, but that is what they do in Russia. One goes to school for a particular job, and that is what the Tories in Ottawa want to do. Maybe there is an unholy alliance between Mulroney and Gorbachev. I do not know.

Mr. Callahan: That is the next scandal.

Mr. Warner: Tories supporting Communists? I guess that is what it is, but it is there.

Hon. Mr. Ruprecht: Is this what the former member for Parkdale said to you?

Mr. Warner: I am sorry. I should not have spoken so loudly. I have now awakened the member for Parkdale (Mr. Ruprecht).

Mr. Breagh: I would not go that far.

Mr. Warner: At least he is conscious.

Mr. Breagh: I would not go that far either.

Mr. Warner: I do not know if he is awake.

Mr. Breagh: The farthest I would go is quasi-vertical.

Mr. Warner: Education is a far more important matter than simply giving someone the opportunity to acquire certain skills. Surely to goodness education means that one learns more about oneself and about the world in which one lives so that one can be a useful, productive member of society. It seems to me that is what education is all about. It is a very wide matter and it is one that I hope people of all ages will participate in.

Quite frankly, I am pleased to see an increasing number of senior citizens re-entering the educational system. I think that is a positive

thing. I know it is one that is probably a personal interest of the Treasurer.

9 p.m.

Hon. Mr. Nixon: I am right here listening to every word.

Mr. Warner: I know he is. The Treasurer is never beyond the reach of my words, and I understand that.

It is absolutely essential that we do everything we can to make sure our education system does not become subject to particular economic winds, so there is an ebb and flow to education. Education is too important for that. Like health, it must remain a constant commitment.

We must not say: "Things are going a little better now, so we will put more money into education. If things were not going so good now, we would draw it out." That is what the Tories did. I hope this new government has a different attitude. That is what the Tories did to health care. They decided: "The economic times are not good. Let us punish the hospitals." The member for Muskoka (Mr. F. S. Miller) went around and actually attempted to close hospitals. Health is too important for that, and education is too important for that.

I want to relate a sad story for the Treasurer. It is very real and is something for him to ponder. When I graduated from York University in 1972, I can recall that in my final year—I majored in English in the arts program—we had approximately 15 people per class. That was the average class size. It is my habit to go back to university every two or three years and take a course or two. The last course I took was two years ago, a fascinating course in Canadian drama that I really enjoyed. There were 30 people in the class, not 15. The class size had doubled.

I thought perhaps that was just the unfortunate circumstance I found myself in and did not apply to other universities. However, that is quite common. Class sizes have doubled. It is common in Ontario, but it is not common throughout the world. It is not just with arts programs, but also with science, engineering and technology. If one goes through them all, class sizes have grown. Why? It is because successive governments in this province have slashed budgets for universities.

This government has to repair the damage. This Treasurer has to repair the damage. If I am not mistaken, the Treasurer started with a four per cent increase in this budget. Four per cent is inadequate and it will not repair the damage. I am not suggesting for a moment that he can rectify things overnight, but I am suggesting that he

should have taken a higher percentage for the first step and at the same time indicated that it was a first step and that there would be other steps, that in the spring budget and succeeding budgets there would be an increasing allotment so the universities could get back to world standards. We have fallen behind.

An hon. member: Is that not what he said? That is what the budget says as a start.

Mr. Warner: No, it does not. There are no promises.

Mr. Wildman: The member for Brampton is interjecting and he is not in his seat.

Mr. Warner: If he wants to debate with me, he has to go back to his seat and then I will not debate with him either.

The government has an obligation with regard to the universities, not only with respect to the number of students per class but also with respect to research and development. There is a very scary kind of development taking place in this country. More and more research is going into private hands and is not being done in the universities. If it is done in the universities, it is done with private funding and not with public funding.

It is important from this perspective: The moment one puts it into private hands, one runs the risk of losing objectivity. One runs the risk of it not being pure research, of it being loaded research, designed for a certain segment and for that segment only. It loses its importance with regard to objectivity. It is incumbent upon this government to put more money into the universities, specifically for research and development.

I noted the interest of the Treasurer in closing down the Ontario Institute for Studies in Education—I will rephrase that—in moving OISE over to the University of Toronto, where it can be closed down.

Mr. Callahan: Mr. Speaker, on a point of privilege: The member for Scarborough-Ellesmere indicated there was no indication that the four per cent was going to increase, and I have to refer him to the budget. It says, "In keeping with the government's promise to gradually increase school board support, the 1986 general legislative grants will be increased by 5.4 per cent."

Mr. Warner: Which page is that?

Mr. Callahan: Page 9.

The Acting Speaker: That is not a point of order. Please continue.

Mr. Warner: It was a point of misinformation. What the honourable member raises, found

on page 9, relates to school boards and not to universities.

Still addressing the question of education, there is something that has disturbed me for some time about how the government functions; I refer to adult education. Responsibilities for it are scattered across almost a dozen ministries, but there is not one individual who has the responsibility to pull adult education together; therefore, it just flounders. There is no coherent strategy. There is no one who is personally responsible. That has to be changed.

One reason it has to be changed is that, whether we wish to admit it or not, we have a literacy problem in Ontario. A sizeable portion of our population is illiterate. We like to hide it. It is like trying to hide poverty; we want to pretend it does not exist. Literacy is a problem in our province. Thousands of adults in Ontario are illiterate, and we do not have adequate answers for them in our educational system. That bothers me, but what bothers me more is that the government does not have an individual who is responsible for alleviating that problem. I understand the government is inheriting a system. The challenge is to show leadership. I hope it can turn that around.

I also want to tell the Treasurer there is a difference between job training and skills training. If we are simply content to do job training, we miss the boat. Our citizens should have the opportunity to acquire skills that give them a ticket through their lives. If they go to a college and acquire a skill, they should be able to apply it. If they wish to re-enter the labour force and acquire a different skill, they should have that opportunity. The federal programs are threatening in that respect.

9:10 p.m.

I started to mention the Ontario Institute for Studies in Education. The Treasurer wants it amalgamated with the University of Toronto and I suggest, quite respectfully, that is a mistake. It is a unique institution. It is the only one in the province where the specific mandate is to do studies into education, and it should be left to function on its own. If it gets melded into the University of Toronto, it will lose its independence. That is my opinion on the matter.

Here is a little bouquet that is being thrown out. Apparently, the government has increased the grants to the arts community through the Ontario Arts Council. That is a welcome initiative. The funding level is up. I hope the government philosophy on this is that our culture is something which should be stable.

Mr. Callahan: Mr. Speaker, on a point of order: I may be misinterpreting what the honourable member said, but I believe he indicated this government—

Mr. McClellan: That point of order is not permissible.

Mr. Callahan: I just want to clarify it.

The Acting Speaker: Order.

Mr. Callahan: The member made a statement which I believe to be incorrect.

The Acting Speaker: Order. The member will sit down. When you address the chair you can correct your own mistakes, but you cannot correct other members' mistakes. The member for Scarborough-Ellesmere will please continue.

Mr. Warner: Thank you. May I construe that I have not made any mistakes yet? I am not suggesting I am infallible. If I make a mistake, I will appreciate hearing from the member for Brampton—

The Acting Speaker: Please address the chair.

Mr. Warner: —and I am fully prepared to correct any errors which may become apparent.

I hope the government's policy with respect to the arts is that our cultural identity is not something to be tampered with in response to economic ups and downs. We struggle hard in this country to carve out our own Canadian cultural identity. That means there has to be some support from the government. I do not mean just the Ontario government. The municipal and federal governments must also support the arts community. It is extremely important. This government has taken a first step by increasing the amount of money to the arts community. I like that. I hope the philosophy will stay.

I want to speak for a moment about poverty. It is something many members of the House are very reluctant to speak about because in some cases they do not believe it exists.

Before I do, it would be appropriate to recognize the real contribution made by the member for Scarborough West (Mr. R. F. Johnston) on this issue. Over a number of years, that member has been the foremost spokesman in this House on the question of poverty. More than any other member, he has delved into the issue, made it real and made it apparent to us. It is there. We do not like to admit it, but there are people in our province who are homeless. There are people who do not have adequate food, clothing or shelter.

I want to relate one little story which says it all as far as I am concerned. There is a gentleman in

my riding who is blind. Although he is blind, he takes an incredible interest in politics. He phones me every once in a while to have a little chat. He is not a member of any party. He has decided he likes a little bit of the Conservative, a little bit of the New Democrats and a little bit of the Liberal, but he phones me about issues that bother him.

He phoned me recently because his mother had read to him an article in the Toronto Star stating that there were 6,000 people in Metropolitan Toronto who were destitute. He said: "Mr. Warner, how is this possible? I understand famine in Africa, in Ethiopia, but I do not understand it in Toronto. We have a very rich country." I had to say, "I do not understand how that is possible." We do have a rich country. With all our riches, why do we have people starving or without proper shelter or proper clothing? We have failed somewhere.

His next question was, "How can you consider spending public money on a dome?" I said, "The answer is that we should not." How can we contrast the thousands of people in our city who are destitute with wanting to put public money into something frivolous? There is something wrong with our priorities. We have to examine our priorities very carefully.

This young blind man is right. What is interesting about his perspective is that because of his disability he is in a certain respect removed from the world as we know it. He has a very honest and fresh approach. His conscience is absolutely right. We have made a mistake.

I will stay on the priorities for a moment, because it brings me to a very interesting point. I have been active for some time with the legal aid clinics. I had the privilege of being the chairperson of the Scarborough Community Legal Services for some three years. For two years prior to that, I was on the steering committee that set it up.

As we deliberated our budget in front of the powerful people downtown who control the purse-strings, although this was under a different regime, we were asked at one stage if we knew that \$10 million was spent on all the legal aid clinics across the province. We were told that was a huge sum of money. I sat there and waited until the august official had finished his remarks. Then I asked him very politely if this was the same sum of money required to build an executive jet.

The Tories were prepared to spend \$10 million so Mr. Davis could get to his condominium in Florida a little more easily, but they were not prepared to expand the legal aid clinic system,

which is of a very real nature to thousands of Ontarians. Priorities, that is what it is about.

I am going to put in a pitch here that in the next budget there should be a little more allocation for legal aid clinics. The Treasurer knows there are four major responsibilities for clinics: public education—

Hon. Mr. Nixon: What about the fee-for-service lawyers?

Mr. Warner: I am going to get to that. The Treasurer mentions fee-for-service lawyers, the private bar; I am going to get to that in a moment. It is a fascinating case. The Treasurer's views about the bar are well known on this side of the House.

Public education, individual case work, law reform and organizing are the four mandates of the legal aid clinics. If they do not live up to those mandates, they lose their money. It is as simple as that. Those mandates are extremely important to the clinics in the communities they serve.

9:20 p.m.

I do not understand where this comes from, but it is not a threat to the private bar. The people who come into legal aid clinics are people who cannot afford to go to the private bar. In Scarborough, we refer people who cannot be served because of their income guidelines from the legal aid clinic to the private bar. We have a reference list of lawyers and what type of law they specialize in, and we refer people to them. It is a nice co-operative level. What happened in Peterborough with respect to the Ontario Bar Association should not happen anywhere else.

Interjections.

Mr. Warner: I was told to go on at length. I wish to make a few more remarks and then I will conclude.

Mr. Haggerty: It is about time.

Mr. Warner: I note the disappointment in the chamber that I am concluding. I hope the Treasurer understands the issue of equal pay for work of equal value should not be seen as an individual issue; it is part and parcel of the struggle for equality. That legislation cannot be viewed as simply standing by itself. It is part and parcel with family law reform, with child care provisions, with equal opportunity for jobs and equal opportunity for advancement.

It is a package of reforms which will bring us fully into the 20th century where women will actually have equality for the first time in the history of the world. I look forward to that day. I hope the members of the House, the majority of whom are men, will appreciate that if women are

liberated, so are men. Reflect on that. If we can provide equality so women are liberated, then we ourselves are liberated.

I have two items left. One is South Africa. I want to record my deep disappointment at the phoney ban the government put on the sale of South African wines and spirits on August 14. It obviously had very little intention of really doing anything, because a couple of days ago an additional 26,280 bottles arrived at a Liquor Licence Board of Ontario warehouse from South Africa. It is arguable whether or not it was ordered after the ban was in place. I suggest it was, because the Norwegian ship Thorsgate left a South African port on or about September 15, one full month after the ban was announced.

Given that the turnaround, according to the LLBO office, is approximately 60 days, on an average it is six weeks, it appears logical that the order was placed after the ban. Even if it was placed before the ban, the government had a moral responsibility to cancel the order. It may respond that it had a contract. The moral responsibility in the struggle for freedom is a heck of a lot more important than a contract with a racist government. This government does not rate any marks on this. It missed the boat. There was one thing we could do, because almost everything is left up to the federal government, and we failed. I am saddened by that.

I wanted to mention to the Treasurer, in case he thinks my remarks about home care for seniors are just simply individual remarks, that based on approximately 600 replies from my riding to the question, "Should the government expand services such as home care, Meals on Wheels and day care to keep seniors living independently?" 82.7 per cent answered "Yes." That is a very strong indication of what people in Scarborough-Ellesmere, and I suspect throughout the province, feel about home care for seniors.

Asked whether extra billing by doctors should be banned, 72.7 per cent said "Yes" and 9.3 per cent were "not sure." "Should a voluntary retirement age of 60 with full pension be established?" "Yes" was 73.4 per cent. "Should all private companies be required to set up pension plans that follow the workers from job to job, i.e., total portability?" It was 79.7 per cent, almost 80 per cent, in favour. These were people who were responding to a lack of government programs, saying: "Here is what we want done. Do it." When asked, "Should companies have to publicly justify closing down a plant?" 65.3 per cent said "Yes."

I asked people to rank the following six items in order of importance to create jobs: housing construction, tax breaks for small business, tax breaks for big business, joint ventures between government and business, environmental protection projects and energy conservation projects. The number one item, far and away, that the public sees as a way to create employment is housing construction. The others were not even close. The second was tax breaks for small business. That is the public view and the government should take heed of that.

This budget does some good things, but it is not imaginative and does not address the major concern the people of Ontario have, and that is the creation of jobs. I will continue to support this government through our agreement, provided there continues to be concern about the issues I put forward and about the other ones that time, unfortunately, does not allow me to elaborate on.

9:30 p.m.

M. Poirier: À titre de nouveau libéral du nouveau gouvernement Peterson, je peux vous assurer, Monsieur le Président, que c'est un honneur d'être membre au moment où l'honorable trésorier a présenté le premier budget libéral depuis 43 ans.

It is with great pleasure that I rise in support of this fine budget put forward by the Treasurer, the first Peterson budget. I look at the overall balance of this budget and it makes quite a lot of sense considering the heritage we have from the previous administration and considering what we still have to do to correct the situation. I looked for proper management in the budget because one cannot correct that long a period of mismanagement with one budget. It is a great start for tomorrow.

This budget will also start to respect all the regions of Ontario, not just one region, with neglect for both the north and the east. I refer to the great riding of Prescott-Russell, sometimes perceived as the Maritimes of Ontario because it is somewhere east of Ottawa. That is how we have been treated in the past, and I think this budget will start to address the corrections that were badly needed.

I appreciated the work the Treasurer and his team put in to address the accounting of the budget, all the cleaning up that had to be done. As the honourable member preceding me mentioned many hours ago, the language is clear so that all Ontarians can understand what that budget means and can relate to it, rather than its being a budget that goes above and beyond everybody's comprehension. One does not need

to have a chartered accountant's degree to understand the budget my government put forward.

Je suis bien content que le trésorier de mon gouvernement ait finalement pris l'initiative de faire le grand ménage qui s'imposait avant l'hiver, d'enlever les toiles d'araignée dans le budget, de se débarrasser de Suncor, cet embarras qui était pour ce gouvernement provincial.

Je regarde aussi les programmes que ce gouvernement offre pour l'emploi et la formation de la jeunesse. J'ai déjà été agent de développement communautaire dans Prescott-Russell. J'ai souvent vu des organismes communautaires, des organismes à but non lucratif, des petites et des moyennes entreprises qui étaient désireuses d'embaucher des jeunes pour des programmes d'emploi. J'étais souvent découragé par la complexité de tous les beaux programmes gouvernementaux qu'on nous lançait par la tête, des miettes à gauche, des miettes à droite, des programmes de maquillage que, lorsqu'on levait la couverture, on y voyait très peu de choses. Cela décourageait tellement ces gens-là que souvent je les ai vus de mes propres yeux refuser de jouer avec des programmes trop complexes.

Thank goodness this government consolidated all this maze of different programs that it had for youth into one: \$175 million for this fiscal year. People who are interested in the education of youth and jobs for youth can better understand one major program than a series of makeup programs that, once one scratches the surface, do not reveal much underneath. I have seen them; I was there. A lot of small companies refused to play with these programs, because one almost needed to be a magician to understand which program was for what. It seemed more to confuse people than to help them.

La circonscription de Prescott-Russell est en grande partie une circonscription agricole. Évidemment, de plus en plus, la circonscription, avec le grand secteur d'Orléans et du canton de Cumberland, prend une part de plus en plus large. Mais pour le moment, il y a encore une bonne proportion de la circonscription qui vit d'agriculture.

Il n'y a pas de solution magique à la situation de l'agriculture en Ontario en ce moment-ci. Mais je peux dire que le gouvernement précédent n'a pas vraiment aidé, et si on a une situation agricole comme on la connaît aujourd'hui, ce n'est pas la chose que j'aurais voulue, étant moi-même fils de producteur agricole depuis quatre générations dans Prescott-Russell.

J'ai eu l'avis d'un grand nombre de producteurs agricoles et de gens intéressés de près ou de

loin au secteur agricole. Et tous et toutes, sans exception, ont fortement loué le programme d'aide à la réduction du taux d'intérêt pour les exploitations agricoles familiales—pas l'industrie agricole, mais les fermes familiales.

C'est un excellent début. Évidemment, ce n'est pas au cours de l'année fiscale actuelle que l'on peut remédier à tous les problèmes, les maux en agriculture. Le problème est beaucoup trop profond pour être résolu durant une année fiscale. Mais quand même, ça m'a fait chaud au cœur de voir tous ces producteurs et ces productrices agricoles être fiers de voir que le gouvernement libéral n'a pas lambiné, n'a pas attendu à la semaine des quatre jeudis avant d'avoir un programme agricole qui a su répondre aux besoins de l'heure.

I also appreciate the participation of the Ontario government in the tripartite stabilization program for red meat producers. At last that is getting off the ground. The Minister of Agriculture and Food (Mr. Riddell), the members of the agricultural caucus and all the members of this government are solidly behind this proposal to correct the situation at a national level.

Furthermore, the \$6 million to help farmers who would like to get out of agriculture and into another line of work addresses particular needs that were brought to my attention about a month ago in my own riding.

En ce qui a trait au logement, je sais très bien qu'à l'échelle de toute l'Ontario, les logements pour l'Ontarien moyen et l'Ontarienne moyenne c'est un problème très particulier. J'étais vraiment fier de voir que mon trésorier et mon gouvernement se sont adressés à créer plus de 10,000 logements nouveaux dans les trois prochaines années avec l'aide de subsides. Cela ne sert pas au luxe, mais c'est une nécessité de base. J'étais fier de voir aussi comme mon gouvernement est prêt avec des prêts aux promoteurs pour des intérêts subventionnés pour stimuler la construction de 5,000 nouveaux logements locatifs. L'heure ne va sûrement pas être au luxe. Quand j'ai fait mon porte à porte à l'échelle de la circonscription, j'ai compris qu'on avait été oublié, qu'on avait été négligé.

All of us during the past provincial election, and some of us during the past general election and by-election in December, went door to door canvassing and trying to solicit the help of Ontarians in those campaigns. We have seen the state of housing in Ontario. I am very proud that this government in its initial budget, considering the restraint and the fiscal responsibility it has to

show, has addressed this matter in a very significant way.

9:40 p.m.

Je considère également la situation dans les garderies. On entend souvent parler, à l'échelle de l'Ontario, que le problème des garderies, quand on nous en donne un exemple, c'est souvent un exemple urbain. Mais par contre j'ai mentionné tantôt que la circonscription de Prescott-Russell, surtout en ce qui a trait à sa superficie, est fortement majoritaire dans un sens rural et agricole.

Je veux bien souligner que cela n'enlève rien au besoin de garderies dans les sections urbaines et péri-urbaines de toute circonscription, dont Prescott-Russell. Je considère qu'avec la situation économique aujourd'hui c'est une nécessité dans bien des cas, dans bien des ménages, que les deux parents soient obligés d'aller travailler à l'extérieur du foyer, ou même un. Et nous parlerons également des familles monoparentales. Les besoins économiques exigent un système de garderies à la hauteur des attentes et des besoins des Ontariens et des Ontariennes.

Et je vous dis encore une fois, Monsieur le Président, la fierté que j'ai d'être membre d'un gouvernement qui dès son premier budget n'a pas eu peur de créer 10,000 places additionnelles pour des enfants, avec la priorité dans les régions rurales et pour les enfants avec des besoins spéciaux. J'en suis vraiment fier.

Même chose pour les personnes âgées. Comme mon gouvernement a mis \$11 millions additionnels pour accroître les services d'aide aux personnes âgées à un moment où la population moyenne de l'Ontario vieillit de plus en plus, là également c'est une raison d'être fier.

When I look at what this government wants to do for northern and eastern Ontario, I say, "Thank goodness." Finally, these parts of Ontario are going to get their fair share of the taxation money that each and every Ontarian brings forward to Queen's Park.

I worked before as a community development officer to help create better conditions for regional economic development in Prescott-Russell. I helped to create the Prescott-Russell economic development council and the Prescott-Russell tourism association. I was one of the people who started getting input for the creation of the Alfred College of Agriculture and Food Technology.

I know how important it is to develop regional economy. When I see what this government wants to do, what it can do and what it will do

fiscally for small and middle-sized industry, I am proud to be part of such a government.

When I worked as an economic and community development officer, I realized it was not a top priority for the previous government to support the quality and quantity of education in Ontario. I saw the degradation of the entire education dossier across Ontario. That is not only my personal opinion; I have had many people mention this to me who feel this way and who have felt this way in the past.

How could Ontario have allowed the education system that was once the envy of the world to deteriorate this way? I am proud to see that this government is reversing this trend and will add substantial amounts so that our colleges and universities, our grade and high schools will get enough money as a start to better the situation so that the Ontario education system can again be the envy of the world, which it should be.

Je regarde également à l'engagement de mon gouvernement envers le financement des écoles catholiques pour redresser cette injustice, cette inégalité, vieille de quelque 140 ans en Ontario. Je suis vraiment fier d'être membre de ce gouvernement. Je suis vraiment fier de mon trésorier, d'avoir mis les montants nécessaires pour bien démarrer ce programme d'appui, le parachèvement des écoles secondaires catholiques, d'avoir aussi rétabli les avances consenties aux conseils scolaires à l'ancien niveau de sept pour cent, voilà quelque chose qui est très sérieux.

I also look at the rate of illiteracy in a lot of regions of Ontario, in spite of the billions of dollars that have been put into education. Some studies have mentioned a 38 per cent illiteracy rate for Prescott-Russell. To me that has never been satisfactory. I do not think any government should allow this to happen in the 1980s in Ontario. It is a shame that any government would have allowed that to happen.

I am very proud that this government is going to put added emphasis on programs to correct such a situation in Ontario. The announcement by the Minister of Citizenship and Culture (Ms. Munro) of a close-to-\$77,000 program to develop further the library literacy pilot projects is a good indication this government is moving in the right direction.

En ce qui a trait aux hôpitaux, ma mère a fait une carrière de 37 ans à l'hôpital général d'Ottawa et à travers elle, ses amis et mes amis qui ont travaillé dans les soins hospitaliers, je peux vous dire quelle honte cela a été dans le passé, de voir des anciens trésoriers prêts à faire

des coupures dans le nombre de lits disponibles à la population générale de l'Ontario afin de réduire le budget au nom du saint dollar.

I do not think one can balance, as has been done in the past, the accessibility of hospital beds when needs arise, especially when life is concerned, against a principle to reduce the budget of Ontario and save a couple of dollars here and there on people's lives. One cannot do that. My government has started to correct this situation, and I am very proud of that. There is 8.3 per cent more for hospitals. I am glad to see this come along.

Mr. Callahan: That is for Brampton, is it not?

Mr. D. R. Cooke: Kitchener.

Mr. Poirier: It is for all across Ontario because the needs are all across Ontario. One does not play around with people's lives.

I do not think Ontarians today, tomorrow or at any point in their history should have tolerated a situation such as the previous government allowed to happen. The Liberal Party would receive letters from people describing situations where their loved ones in the past could not have easy and rapid access to hospital beds because they had been closed down by previous Treasurers.

L'assistance sociale, maintenant. L'Est de l'Ontario, comme le Nord puis comme d'autres régions de l'Ontario, à cause de politiques gouvernementales antérieures, c'est devenu un refuge pour l'assistance sociale parce que le gouvernement précédent n'a pas voulu développer les régions éloignées du centre de l'Ontario, pour que ces régions puissent se prendre en main et que les gens qui y demeuraient, que ce soit dans le Nord ou dans l'Est, puissent trouver chez eux les occasions d'emploi qu'ils méritaient.

I have never been pleased that the previous administration had taken for granted eastern and northern Ontario economic development, thus creating havens for social assistance because there was no way out of it. I was not proud of that policy. I think this current budget is a great start to help correct an incredible injustice where the people of northern and eastern Ontario have had to rely on social welfare because the previous administration did not care about economic development in those regions.

9:50 p.m.

Je regarde à l'impôt; il y a un mot-clé qui me vient à l'esprit, toute forme d'impôt doit être juste envers tout le monde d'une façon globale sachant très bien qu'on ne pourra jamais plaire à tout le monde, à tout moment. Mais par contre,

l'impôt sur le revenu permet à ceux qui travaillent et qui ont des gains impossibles de payer leur juste part de leur impôt sur le revenu pour aider à la caisse centrale de l'Ontario.

Je crois qu'en 1985 c'est évident que les Ontariens et les Ontariennes ont cette maturité, une responsabilité financière et fiscale et par leur choix lors du 2 mai ils ont démontré qu'ils voulaient élire un gouvernement qui avait ce sens de la responsabilité fiscale. Je crois que le gouvernement actuel a justement cette responsabilité fiscale qu'il faut en Ontario. La taxe de vente enlevée sur les repas préparés à un dollar et moins, voilà encore un excellent début dans la bonne direction et je félicite le trésorier d'avoir pris cette initiative.

Je regarde également aussi en conclusion qu'un budget de ce genre-là doit être regardé d'une façon globale. Il faut peser honnêtement et justement dans la même balance tous les points d'un budget, globalement. Et je peux vous dire en toute sincérité que je suis extrêmement fier d'être membre du nouveau gouvernement libéral.

In all fairness, the people of Ontario will see when they weigh on the same weigh scales all the points of this budget, whether methods of expenditures or receipts, that globally this budget is fair for all of Ontario. Being a member at the time of this very first budget, I am extremely proud of the work done by my government and I salute the work my Treasurer has done in preparing this budget. I am very proud to go across my riding, and all of Ontario if need be, to face the people and say: "I am proud of this budget. I think it is finally working in the proper direction. This government, globally and in the long term, will address a lot more of the needs of Ontarians than the previous administration did."

Mr. Dean: It is also a pleasure for me to take part in this budget debate. I trust I will not be quite as lengthy in my remarks as some of the other members have been this evening, partly because I do not see quite so much either to praise or to condemn in the budget as the previous two members have, and I am not noted for being long-winded anyway.

[Applause]

Mr. Dean: Thank you. In case the members do not applaud me later, I appreciate that. I will take it while it is there.

It is not my temperament to be negative about things; so I will start off by being positive about a few of the things that one could be positive about in the budget. I know the Treasurer has toiled in the fields of the Legislature for many years

without having a chance to bring forth something like this. I want to say that for a first attempt it is not bad.

In a positive sense, the Ontario family farm interest rate reduction program is needed in agriculture and it does carry on, in a slightly different emphasis, some of the programs our government had over the last few years. The decision, which seems to be confirmed by the Treasurer, to set aside something for the tripartite stabilization program is a welcome continuance of the commitment that was made by the former government through its Ministers of Agriculture and Food, that if the federal government continued to drag its feet on being one of the three parties of the tripartite, then we as a province were prepared to go on a bipartite basis. I congratulate the Treasurer for carrying on that good determination, because I believe from my contacts with the farming community that it is greatly needed.

I also commend the Treasurer for making a start on the absolutely necessary development of seniors' independence with more home care, which was a concern we had in government. I am pleased to see that the Minister without Portfolio (Mr. Van Horne), who is in charge of this particular aspect, recognizes the importance of that too. It is a comment I made when I spoke on the speech from the throne.

I believe it is a very important focus for our government over the next decade, whatever stripe it happens to be, to find a way to include more home care so that our seniors can be increasingly independent. I was accused during the throne speech debate of having a conflict of interest here because some people would like to see me in that category.

Hon. Mr. Van Horne: We are all going to be there some day.

Mr. Dean: I hope I do not age so quickly that this government or the next one of bluer hue does not have a chance to put this sort of program into more operative formation.

The development commitment in northern Ontario is a continued commitment of the general nature our government had, which was to pay particular attention to northern Ontario. I welcome that for whatever value it has.

Mr. Wildman: That is a back-handed compliment.

Mr. Dean: I am referring to the attempt they are making for whatever value, not the principle, but if the member prefers it that way, fine.

The attempt by the Treasurer to make transfer payments to municipal and other bodies more

predictable is a worthwhile one. I will not list them. They have been mentioned before.

The commitment to separate school funding to the tune of \$34 million in this fiscal year and \$107 million in the next is important for the principle all parties have agreed to. I am glad it is put out there in public so people know exactly what the cost of the move is.

The increase in operating costs to hospitals is also a positive aspect of the budget. I do not see a lot said about capital to hospitals in the budget, but I trust the Treasurer has provided the ministry with enough funding so that the commitments in that regard will continue.

To be parochial for a moment, I want to be sure the Treasurer knows—perhaps he would stop gossiping with his neighbours—that there is a particular health care centre in the riding of Hamilton East that will serve Wentworth and that needs attention during the next year, St. Joseph's Ambulatory Care Centre. Will the Treasurer please take note of that? Perhaps he will read Hansard.

I also welcome the repetition of some of the features of our government's excellent youth employment programs. There is a question as to whether there really is any increase, but if the Treasurer has at least maintained them that is excellent, because they are certainly needed.

There may be a few more positive things, but I did not have my magnifying glass when I was looking through the budget, so I am going to leave it there. I will be equally short about it and will probably miss some of the negative things in it.

One negative thing I see that is really sort of a mote rather than a gleam in somebody's eye is the land transfer tax increase. On a \$100,000 house purchase there is an increase of \$105; on a \$150,000 house it is an increase of \$205. Some people, I think even those who take the stance that they are not capitalistic by nature, will say, "What is an increase of \$105 on a \$100,000 house price?" It looks as though it is small, but when people are buying a house any amount of money that is extra and apparently nonproductive is a deterrent. I do not think we need deterrents in the housing industry.

Hon. Mr. Nixon: I have heard of people mixing it up with the legal fees.

Mr. Dean: I hope the lawyers have not mixed it up.

Hon. Mr. Nixon: They will call it disbursements.

Mr. Dean: I am surprised to hear the Treasurer suggest, even in jest, that perhaps

nobody will notice it. That is beneath the Treasurer. He really wants them to notice everything there is so they realize they are paying for whatever it is they are paying for.

I note in passing that residences on farm properties which are bona fide farms are exempt, and that is a good thing. Rental buildings are exempt; maybe there is logic to that. I also note the yield of this increased tax will amount to an estimated \$30 million in a full year. I suppose one has to find money wherever it is when one is trying to live up to unknown amounts of commitments in a quasi-legal accord.

10 p.m.

I would like to suggest to the Treasurer that this may be a further small straw on the camel's back that sometimes discourages home buyers. Perhaps he could consider an exemption for homes of \$100,000 or less if he wants to make it truly progressive. That is just a suggestion so we do not discourage those with limited means.

Mr. Gillies: If the Treasurer wants to know how to make this budget truly progressive, he should be making notes.

Mr. Dean: Yes, I note the Treasurer has been referred to by some pundits as a truly progressive conservative, so I think this would be a truly progressive step for him. It would be a privilege for him to belong to the Progressive Conservative Party, would it not?

The second item on which I wish to comment briefly is the matter of fuel tax. The changes in the regulations, I am sorry to say, look like cynical window dressing. I regret having to use that kind of phraseology in reference to the Treasurer, because whatever other good qualities he has I do not think cynicism is one of them. However, at a time when it seems the prices of gasoline and other fuels are likely to go down, to remove an ad valorem tax which fluctuates with those prices, and at the same time to add insult to injury by slapping a 10 per cent increase on the tax, is an attempt to—

Mr. Wildman: You are not defending the ad valorem, are you?

Mr. Dean: Certainly. When the price is going to go down, is the member not also in favour?

Mr. Wildman: That is when you froze it, when the price was going to go down, because your revenue was less.

Mr. Speaker: Order.

Mr. Brandt: At least we did not increase it; there is a difference.

Hon. Mr. Nixon: I would like to see anybody vote against the removal of ad valorem.

Interjections.

Mr. Speaker: Order. The member for Wentworth has the floor.

Mr. Dean: There is a certain amount of doubletalk going on by people who say ad valorem is bad in principle. Nobody is arguing about the principle of the sales tax, and if it is not ad valorem it is not anything.

Hon. Mr. Nixon: It is not progressive.

Mr. Dean: Nevertheless, it is ad valorem. I think those who are hooting so much about ad valorem should take another look at what it means before they display that they are talking out of both sides of their mouths.

The Treasurer would do well not to think the increase in the tax on fuel may become confused with something else, such as the land transfer tax that could become confused with legal fees. I do not think he should operate that way, if I may state an opinion.

Mr. Gillies: What about the \$1 meals?

Mr. Dean: The \$1 meals I am leaving to those who like the hole in the doughnut, because that is what is being suggested: all one gets is the hole in the doughnut.

Hon. Mr. Nixon: The cost of that concession is \$36 million. Do not say it is negligible.

Mr. Dean: Returning to my real subject, which is not the hole in the doughnut, I would like to mention that the yield of the increased fuel tax, which I hope the Treasurer may decide to abandon, is estimated at \$79 million in a full taxation year. From what I can glean from the budget papers, the estimates of the Ministry of Transportation and Communications, which should benefit from taxes on gasoline if any area does, have not been increased by \$79 million but have been reduced by \$34 million from last year's figures. Therefore, no one can anticipate the extra yield from this bad change in the tax is going to benefit anybody.

The next item I would like to comment on briefly concerns a specific retraining program. I know there are many facets to some of the retraining and skills development projects that are supposed to be funded as a continuation of some of our good programs; however, something seems to have gone haywire about one particular one.

At Stelco in Hamilton, Local 1005 of the United Steelworkers of America has operated a workers' retraining program for some time. Starting about 1981, it has run a very successful series of courses for people who have been displaced by technological change or by change

in the marketplace. In the past they have had considerable dollars from the Progressive Conservative government of Ontario and from the federal government.

Now they have started a new series of courses, still for these same kinds of people who are being displaced by technological change, and they have been assisted considerably by Mohawk College of Applied Arts and Technology through its retraining programs and by the Canada Employment and Immigration Commission of the federal Progressive Conservative government. However, in spite of having asked and asked for assistance from this government, so far the result, again, is the hole in the doughnut; it is zero.

This union is not just talking about retraining older workers, as I have heard from the other side a few times already this session; it is doing something about it and it has been doing something about it.

Mr. Gillies: There is nothing in the budget about retraining.

Mr. Dean: Nothing in the budget. The critic for the Ministry of Skills Development reminds me that maybe the union is going to have to go whistle for this; I hope not.

This is an extremely worthwhile program. It deserves our full support and the full support of the government through the budget. Why is the government not doing something? Is it waiting for providence to intervene?

Mr. Gillies: They are waiting for us to come back.

Mr. Dean: Waiting for us to come back. I am sure we will be very pleased to do that when we get back, but I do not think Local 1005 can wait for a month or two. They need this money now.

Hon. Mr. Nixon: Who is the member's candidate?

Mr. Dean: Who is my candidate? I am my candidate.

Interjections.

The Deputy Speaker: The member for Wentworth has the floor.

Mr. Dean: I do not think it is appropriate to discuss partisan things in this chamber when we are talking about a serious budget.

The next item I would like to discuss briefly is the GO Transit extension. As most people know, there has been a great deal of co-operation among the Ministry of Transportation and Communications, the Urban Transportation Development Corp. and GO Transit during the last many years to provide a good commuter service along the

lakeshore route from Hamilton to Oshawa, with Toronto as its focus.

At least 40,000 trips are made twice a day on this line, and since I am more familiar with the west end of it, I will confine the rest of my remarks to the section between Hamilton and Toronto. This is really a very good operation that the previous government started and continued to fund, and I know the present government intends to keep it going. For one thing, it relieves a lot of congestion on the highways. A lot of expenditure would have to be made if we were going to try to get everybody in here by automobile.

Long studies have been made on the technology and the route for continuing more rail service as far west as Hamilton.

Hon. Mr. Nixon: What about Brantford?

Mr. Dean: Brantford will be fine. Once we get it to Hamilton, that will be the natural extension. It will just slide down the escarpment.

There are problems in the Burlington-Hamilton section of it because of the topography, which, as most members know, goes around the end of Hamilton harbour and up and down the many ravines. In fact, we may need a new right of way. Those things can probably be salvaged, but during much of the recent discussions there have been problems with Canadian National about the rail route and the improvements.

According to GO Transit, until the very recent past, CN was anything but co-operative. It said: "Okay, GO Transit. If you wish to have your trains on this track, we will gladly accept your millions in improving the track, the roadbed and other things; but do not forget that when you are through spending it, it belongs to us." In short, they were not being co-operative at all.

10:10 p.m.

During the tenure of the former, arrogant, federal Liberal government, nothing was done with CN to help that attitude. Strangely enough, shortly after September 4, 1984, a new wind seemed to blow through the mind of CN. What happened, anyway? A new government came in on September 4, 1984, and when it became aware of the problem CN was creating with respect to negotiations with GO Transit, the word went out to get down to business and have some real negotiation. At that point, the continuation of heavy rail service, which we already had with GO Transit, became a realistic alternative.

The immediate result of that on the provincial government was quite noticeable. The then Premier, the member for Muskoka committed the government to the extension of GO and said

we would review the way in which the system would be implemented.

The then Minister of Transportation and Communications, the member for Dufferin-Simcoe (Mr. McCague), agreed and specified that Ontario would review the system and discuss the best way to provide a service to meet the requirements with Hamilton and Hamilton-Wentworth.

The then Minister of Municipal Affairs and Housing, the member for Don Mills (Mr. Timbrell), guaranteed that the province would listen if the local governments in the area wanted regular GO service instead of a more up-to-date system.

The cost of the regular system is shown to be about \$300 million less than the cost of light rail transit. It would be completed more quickly. About six months ago, our ministry said it could be finished by 1988 or 1989 in the Hamilton-Oshawa corridor. It all sounded like encouraging and steady progress, but that was before June 26. Now the whole program is in limbo. No action has taken place since June 26 on this program. What is happening to it?

Some members will recall that the member Durham West (Mr. Ashe), representing the east end, and I, representing the west end, asked this question of the Minister of Transportation and Communications (Mr. Fulton) a couple of weeks ago. The only answer we got was that he was waiting for an answer from CN in Ottawa. I hope this is an active period of waiting, sort of a "Call them up and speed them up" kind of waiting, and not just ho-hum waiting while twiddling one's fingers, because we have already lost a year in the construction and planning period. I cannot see that there is anything committed to this in the budget; so I fear we will lose more than that.

Every year that goes past without these additions being constructed and put in use means further problems on the highway system. I hope the government will not dither about it. Will the Treasurer tell me that he has it safely lodged in one corner of these figures where I cannot uncover it? People of the GO Transit route will bless him all the days of their lives.

A last brief comment I want to make is on an aspect that has to do with agriculture. I note, not in the main budget book we have but in the little handbook, there is a \$6-million fund earmarked. It is cute wording, but it is a "\$6-million transition fund for tobacco growers and other farmers leaving the agriculture industry." Is that not sweet? It is sort of a going-away present or

something of that sort. I checked to see what "leaving the industry" means—

Interjection.

Mr. Dean: It was hard to find out. The best information I could find was that this is some kind of subsidy to help me if I am really a bankrupt farmer or tobacco grower and I need to do something to get away from this farm and do something else. It is to buy groceries or something while I am taking retraining to get off the farm.

Mr. Gillies: What else can you grow in that soil?

Mr. Dean: That is a good question. A better place to spend the \$6 million would be to study further what can grow, to provide incentives for the people who are now growing tobacco to put the land into more productive and more appropriately acceptable crops. For example, peanuts have been tried.

Mr. Gillies: That is what the Liberals gave them—peanuts.

Mr. Dean: We need a few more peanuts or maybe more nutrient is needed. Maybe the Treasurer could provide some of that good fertilizer from his farmyard. Maybe a miracle would do.

Hon. Mr. Nixon: It can grow hair.

Mr. Dean: Okay, the Treasurer is on. If it will do that, he can get me a little bit of that.

Hon. Mr. Nixon: I will send the member a poultice.

Mr. Dean: I hope I put it on the right place.

I am sure that with proper treatment, if nothing else, that land would grow trees very well. I am sure there were trees on it years ago. To say we are providing something to farmers to get them out of farming has a very backward ring to it.

Mr. Gillies: They will not buy it at Earl's Shell Service Station.

Mr. Dean: No, I do not think they will.

The sort of thing I have in mind, although I recognize circumstances are different, is something that our government had a few years ago when some peach growers discovered that the kind of peaches they grew were no longer in demand by the canning industry. They needed the so-called clingstone peaches. Our ministry and government responded with an incentive to aid farmers to plant clingstone peach trees.

Mr. Brandt: A fantastic program.

Mr. Dean: Yes, it has worked out well. If one buys a can of peaches now, one will find they are clingstone peaches. I defy anyone to find a

freestone peach among them. In any case, it was very successful. I have even heard the opposition say, "Boy, that program was the pits."

Those same kinds of innovative ideas could assist other farmers rather than just saying: "Goodbye, boys. We are going to send you off the farm and back to the ghettos in the towns. You are a failure, and we do not have any innovative ideas for helping you."

The Treasurer should not take that personally. I do not think he needs this kind of assistance.

Hon. Mr. Nixon: I have not failed since the member was marking my physics labs.

Mr. Dean: Would I had marked them harder, to show him what the real world is like.

The same kind of program suggested in there could be turned around to assist some of the grape growers of Ontario who need assistance. I note in passing that our colleague the member for Brock (Mr. Partington) has a private member's resolution that could, if adopted by this Legislature, assist those grape growers without having to call on a \$6-million farewell gift fund.

I could list many other farm needs, but many of them were covered earlier by my colleagues the member for Durham-York (Mr. Stevenson) and the member for Northumberland (Mr. Sheppard).

I have a last plea to the Treasurer regarding agriculture: If he really wants to help farmers, he should not wait until they are bankrupt.

In conclusion, although the budget is flawed, it could be redeemed by the sensitive intervention of the Treasurer. Trained and experienced in common sense, as I believe he has been up to the present at least, he knows my proposals would enhance the quality of his first budget.

10:20 p.m.

Hon. Mr. Grandmaitre: I cannot pass up this opportunity to congratulate our Treasurer; he is the opposition's as well as ours, but he belongs to us.

Mr. Brandt: You can have him. The member speaks for himself.

Hon. Mr. Grandmaitre: Okay, very good.

I would like to congratulate our Treasurer on his first budget. I might be accused of not knowing better because it is the first budget I have experienced and I have not heard anything else, but I can guarantee the Treasurer that I was very impressed. I spent the weekend in the Ottawa area, and the municipalities in the Ottawa-Carleton area are very satisfied with the municipal transfers.

This year, municipalities throughout the province will be enjoying a 4.2 per cent increase in transfer payments and a four per cent increase for the following year. This is a first in the province. Municipalities have complained in the past to a number of Treasurers about being handcuffed on municipal transfers. They did not know how to budget for services, especially social services. Municipalities would find out, possibly in April or May, what their transfers would be and they would have already completed their budgets. This innovation thought up by the Treasurer is a great step in the right direction.

Especially because 74 per cent of the voters in Ottawa East and the Ottawa area are tenants, I was pleased to hear in the budget that 10,000 additional units will be constructed in the near future. This is another move in the right direction.

The Treasurer can be accused of increasing taxes, but considering the total budget, these tax increases were worth it. We are planning for the future, and we did have to correct some anomalies we inherited. We are on the right way to recovery. The Treasurer or the Premier (Mr. Peterson) can be accused of not keeping the promises, but we have not only reasonable but good reasons for this. We are planning for a better future in this province. The Treasurer has the right idea. Any budget can be criticized, but we have to look at both sides of the coin.

I was very pleased to see that our hospitals will be enjoying an 8.3 per cent transfer. Most hospitals in Ontario have been waiting for this for a number of years. At last, our promise that we would help hospitals in this province has come through. Also, our senior citizens will be receiving an additional \$11 million per year to take care of their needs.

Alors, Monsieur le Président, je crois qu'il est très évident que le budget présenté par le trésorier, tant attendu, 42 années, tout près de 43 ans, démontre la sincérité du gouvernement et la sincérité et la profondeur avec lesquelles le trésorier voit le progrès de la province de l'Ontario. Je crois qu'il est très évident que plusieurs d'entre nous, plusieurs municipalités surtout, seront ravis des projets présentés par le trésorier tels que les paiements, les transferts faits aux municipalités. Je crois que les commissions scolaires doivent se réjouir à travers notre province et qu'elles vont maintenant jouir d'une augmentation de 5.4 pour cent. Je crois qu'il est très évident que nous voulons que notre système d'éducation dans la province de l'Ontario soit le meilleur.

I must congratulate the Treasurer and the Minister of Education (Mr. Conway). They have done a great job in the preparation of the transfers to school boards, to the tune of 5.4 per cent. This will prove to the opposition that we are sincere when we say we need to improve our education system. This is only the beginning. We are all committed to separate school funding, and additional dollars will be needed in the future, but this is a start. This afternoon an additional \$25 million for programs was introduced by the Minister of Education. I think we are on the way to producing an even better education system.

Hon. Mr. Nixon: So much to do.

Hon. Mr. Grandmaitre: "So much to do" is right. Do not forget we have been here only a short while, but we have done great things.

Mr. Brandt: That is a personal opinion.

Hon. Mr. Grandmaitre: Yes, it is. I might be accused of having a conflict of interest, but I was quite pleased to hear the Minister of Transportation and Communications (Mr. Fulton) announcing an additional \$9 million for completion of the Queensway. This long-awaited project, the Queensway, has been under construction for the past 27 years, lacking moneys from the provincial government. I think our commitment of \$9 million to speed up the construction is great.

Mr. Brandt: How much has been spent on it so far?

Hon. Mr. Grandmaitre: I invite members to visit Ottawa; they will never recognize it. I can

assure members that people in Ottawa-Carleton will be very grateful. I invite everybody to take advantage of this great Queensway.

Generally speaking, I think this first budget was a very responsible budget which demonstrated great fiscal responsibility. I am sure our second one, our third one, our fourth one and our fifth one will be even greater. That is a long time. The member for Sarnia (Mr. Brandt) will be retired. We do not have a hidden agenda, but we have great things in store, not only for the opposition but also for the people of Ontario.

Mr. Brandt: The hour is late, and I know the tremendous level of anticipation with which this House is awaiting what I have to say, the remarks I want to share with the Treasurer and the good advice I want to give him.

I can recall many occasions when we were serving on the other side of the House, looking after the needs of the people of Ontario. When the present Treasurer was on this side of the House, I can recall his making a number of constructive remarks with respect to the budgetary process. In the fullness of time, I want to share some of those remarks.

However, I note that we are very close to 10:30. With the consent of the House, I would move that we adjourn the debate.

On motion by Mr. Brandt, the debate was adjourned.

The House adjourned at 10:29 p.m.

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LEGISLATIVE ASSEMBLY OF ONTARIO

Thursday, October 31, 1985

The House met at 2 p.m.

Prayers.

STATEMENTS BY THE MINISTRY

GO TRANSIT

Hon. Mr. Fulton: In the few months since the Liberal government came into office, we have undertaken a detailed review of the long-term needs for interregional transit services in the greater Toronto area along with various options for meeting those needs. From our review, it has become apparent that the demand for this type of service is now and will continue to be both pressing and extensive.

For this reason we have determined that the expansion of GO Transit services must be immediately expedited if we are to respond to the critical needs of this important economic region of Ontario. Our assessment has led us to conclude that it would be fiscally irresponsible to proceed with the GO advanced light rail transit program and that a switch to conventional bilevel equipment is the only practical approach.

On the basis of our review, I would like to outline for the honourable members today what the Liberal government intends to do to provide for the staged implementation of improvements to GO services. It will allow us to get maximum benefit from capital investments in the shortest possible time as well as provide almost immediate improvement in some key areas.

Basically, it means extending full GO train service to Burlington and Whitby and upgrading the existing service to Milton.

Early in the new year we intend to add another train between Burlington and Toronto, meaning that three round trips will be offered each weekday. This will be followed as soon as possible by expansion to a full schedule. To that end, we have instructed Canadian National Railway to start work towards the design and construction of the necessary physical plant.

Similarly, we are working with Canadian Pacific Railway to do the required expansion of its track plant to allow for the addition of two more trains between Milton and Toronto. This expansion to five weekday round trips should take place in 1988.

Meanwhile, in the east, construction of provincially owned trackage between Pickering and Whitby will receive high priority to allow for full GO train service. Such trackage will be built on the grade already partially completed for GO-ALRT on the south side of Highway 401.

With the interim terminal station located at Brock Street in Whitby, full GO service on this portion should begin during 1988, at least a full year sooner than would have been possible with the ALRT technology. At the same time, studies will be carried out to assess the best route beyond Whitby. We will be seeking environmental approvals and consulting with local officials and the public to arrive at a mutually acceptable plan.

In the Burlington-Hamilton area, meetings with municipal and regional officials are also scheduled to secure local opinions in order to determine our future course of action.

We will require additional equipment to provide this expanded service. Preliminary negotiations are already under way with General Motors diesel division in London, Ontario, to construct locomotives and with RailTrans in Thunder Bay to build more bilevel coaches, thus creating much needed jobs in both areas.

By following the plan I have outlined for members today, I am convinced we will be able to bring the benefits of better GO services to these areas in the fastest possible fashion.

SOCIAL ASSISTANCE

Hon. Mr. Sweeney: Last week my colleague the Treasurer (Mr. Nixon) outlined for this House the spending plans of this government. Included in the Treasurer's statement was the announcement that my ministry plans substantial improvements to Ontario's social assistance programs.

Today, I would like to give members the details of these changes. These improvements do much more than permit social assistance recipients to keep pace with the cost of living; they also address the needs of children and high shelter costs, and they remove inequities that have developed in this complex system over the years.

The total provincial cost of these permanent improvements is \$81.6 million. That amount represents an overall increase of 6.3 per cent in

expenditures this fiscal year on social assistance programs. All but one of the program improvements I am announcing today are effective on January 1, 1986.

For those on family benefits and general welfare assistance—some 470,000 people across this province—there will be an across-the-board increase of four per cent in their basic allowances. In addition to this cost-of-living adjustment, however, we have decided on a number of additional improvements which are targeted towards assisting specific groups with distinctive needs.

Let me elaborate. The Treasurer and my cabinet colleagues have expressed particular interest in the plight of dependent children whose families must rely on social assistance payments. Accordingly, I have developed some programs for this special group of youngsters to help ensure that they can fulfil their potential as contributing members of tomorrow's society.

First, over and above the general four per cent increase, I am announcing an extra three per cent increase on average in the portion of basic allowances earmarked for some 179,000 children.

2:10 p.m.

Second, I am pleased to announce a child's winter clothing benefit to assist approximately 120,000 children whose parents are long-term recipients of family benefits. This annual payment, to be used to purchase winter clothing, will be \$80 for each child. Unlike the other programs I am announcing today, which take effect on January 1, 1986, this benefit payment will be made before the end of November this year and in the month of October in future years.

Third, our improvements in social assistance programs have been extended to the handicapped children's monthly benefit. About 750 youngsters will benefit from a 10 per cent increase in the maximum payment.

I am also convinced of the need for further assistance for those on social assistance who require shelter subsidies. About 43,000 individuals and families have housing costs beyond the level recognized under the current program. They find that because of higher shelter costs they must devote an ever-increasing share of their income to housing charges. I wish to announce an increase in the maximum monthly shelter subsidy of \$15 per month for eligible single persons and \$40 per month for families. Discharge benefits, one-time payments for persons leaving institutions and becoming estab-

lished in the community, are also going up by \$50 per individual.

Finally, my ministry has moved to eliminate inequities in the social assistance system. We are increasing by \$50 a month the general welfare payment for two-adult families. This will bring this group's rate more in line with the benefits paid to other recipients. About 20,000 families will gain.

We are confident that the changes I am announcing today will address the real needs of thousands of social assistance recipients, and especially the needs of children to whom we have a special responsibility. We are grateful for the participation of the federal government and the various municipalities in assisting us in funding these programs. I am thankful for the support of the members of this House in my determination to give some comfort and dignity to those who depend upon us for help.

Mr. Speaker: I understand the minister has a second statement.

CHILD AND FAMILY SERVICES LEGISLATION

Hon. Mr. Sweeney: It is with pride and personal satisfaction I announce that the Child and Family Services Act will be proclaimed tomorrow, November 1.

The primary objective of this act is to promote the protection and best interests of children. I believe all who were involved in the development of this act should be proud today. It was the subject of extensive consultation and debate and reflects the clear philosophy regarding the provision of services to children and families in Ontario.

Sections of this act respecting residential placement advisory committees, secure treatment, records, intrusive procedures, psychotropic drugs and adoption disclosure will come into force over the coming months but not tomorrow. This will allow us more time to study these sections through consultation and attention to detail, and to receive and review Dr. Garber's report on adoption disclosure.

Tomorrow will be a landmark day in the history of children's services in Ontario. I would like to take this opportunity to express my deep appreciation to all the community agencies, special-interest groups, concerned individuals and everyone else, particularly members of this House, who shared in the development of this exciting and progressive piece of social legislation.

ORAL QUESTIONS

LIBERAL-NDP ACCORD

Mr. F. S. Miller: Mr. Speaker, I have a question of the Premier today. Given that the New Democratic Party has joined our party in opposing his government's gasoline tax bill—

Mr. McClellan: You are off to a bad start.

Mr. F. S. Miller: Now it is his turn to stop laughing.

Given the fact the gasoline tax bill clearly breaks the accord he signed with the NDP which says, "Continue the prebudget freeze on the ad valorem gasoline tax," and is very much a part of his agreement, will he instruct his Treasurer (Mr. Nixon) to either amend the bill or remove the bill?

Hon. Mr. Peterson: Is that the position now of the official opposition? I read in yesterday's press that the Leader of the Opposition (Mr. F. S. Miller) suggested his 51-member Progressive Conservative caucus may be forced to vote for an increased gas tax to stave off an election even though they are opposed to the increase. Is the new position the one I read in yesterday's press, or the one in the letter he was kind enough to send me prior to this question period today, indicating some of his concerns?

I am sure the honourable member will be aware the Treasurer is assessing his options. He will obviously take the member's point of view into consideration, but we have no thoughts at the moment of resigning.

Mr. F. S. Miller: I do not know how bad the mail service is, but I did send the Premier a letter today to that effect, and I am sure he has it.

Hon. Mr. Nixon: It is just different from yesterday's position.

Mr. F. S. Miller: It is not at all. I oppose the bill.

Mr. Speaker: Is that your supplementary? Order.

Mr. F. S. Miller: Listen to the word "oppose" carefully.

Mr. Speaker: Is that your supplementary?

Mr. F. S. Miller: I have a bit of trouble understanding this.

Mr. Breaugh: We know that.

Mr. F. S. Miller: He should not have much trouble, he has been betrayed by them. Remember that, the NDP has been betrayed by them. What other part of that accord is now holding?

Mr. Speaker: Supplementary.

Mr. F. S. Miller: Is there going to be an election?

Mr. Speaker: Order. Supplementary.

Mr. F. S. Miller: That party is not the opposition any more; the Premier has the responsibility of living or dying by the passage of his bills. Why is he introducing that bill in the House, especially when he knows he is going to lose it?

Did he get any legal advice as to whether that was a matter of confidence? Has he checked out whether, accord or not—which seems to be ignored whenever he wishes—he may be faced with a vote of confidence in this House?

Hon. Mr. Peterson: Mr. Speaker, through you to the honourable Leader of the Opposition, the news he is giving me today about his position is different from the news we received yesterday. For all we know, his position could be different again tomorrow so we cannot count on any constancy of position for his party on this matter. As he knows, the bill has not been called at this point.

I do thank the honourable member for the letter he sent me at noon today, laying out some of his concerns. I quote what he said, "I do not think the people of our province want an election at this time, and I think they would be hostile towards a government that called an election after promising to make minority government work." That is the same gentlemen who, a couple of weeks ago, said: "The party that is ahead calls elections. That is the name of the game."

Let me assure the member we are determined to make minority government work and have been doing so very effectively and sensitively in this House with the co-operation of the more reasonable members.

Then he goes on and threatens me with an election. He says, "However, if your government is in fact planning to force an election by standing firm on this unfair tax measure and then considering it a matter of confidence, then our party is ready to face the electorate."

This is one of the boldest statements I have ever heard in my life.

Let me go to the constitutional authority on this matter and refer the member to Peter Hogg's Constitutional Law in Canada, where he says, "...but minority government restores some of the fluidity of former times and it may be sensible and constitutional for a minority government to follow the earlier precedents and revert to a laxer rule as to what amounts to a withdrawal of confidence in the government." This position is also cogently argued by Eugene Forsey.

Two out of the three finest constitutional minds in this country support our position; and the other one, two seats to my left, agrees with me as well. Three out of three; they all agree.

2:20 p.m.

Mr. Rae: I wonder whether the Premier is aware that, in addition to the illustrious authorities he has quoted, we also have the McGrath committee report, in which is clearly stated the need to be more precise. We have the British experience, where literally dozens of bills have been changed and amended.

Is he aware that, in addition to those illustrious authorities, two members of the Conservative Party were present today at a meeting of the standing committee on procedural affairs and agencies, boards and commissions, whose report specifically limits a confidence motion to the very specific items that are set out in the standing committee's report. It says:

"The following matters shall be considered to be questions of confidence in the government: (1) the defeat of a motion for interim supply; (2) the defeat of a supply bill; (3) the defeat of the budget motion," meaning the overall budget motion; "(4) explicitly worded motions of want of confidence in the government; (5) the defeat of a vote on an item which the government has declared in advance of the vote to be a matter of confidence in the government; and (6) the defeat of a motion that the government enjoys the confidence of the House."

Is the Premier aware that two illustrious members of the Conservative caucus were present today and approved that particular idea with respect to confidence?

Mr. Treleaven: On a point of privilege, Mr. Speaker: The record should show that one of the Progressive Conservative members did not vote for that; he voted against that motion.

Hon. Mr. Peterson: The honourable leader of the third party has caught me by surprise on two counts. First, I was not aware there were any illustrious members of the PC caucus. Second, I am not surprised, however, that they do have a variety of different positions on this issue and that they have not done their constitutional homework. If those two right-thinking members would like to stand up and take credit in this House right now, I invite them to do so.

Mr. F. S. Miller: The glibness of the Premier's replies hides a very important fact. The apologies made by the leader of the New Democratic Party in trying to support him, even though the Premier has broken a signed agree-

ment with him, astound me. But for that signed agreement, but for his trust in the Premier, which has now been broken, the Premier would not be there. Had we been willing to give spurious words in advance, he would not be there. We keep our word. We would not sign that kind of thing.

I want to know whether the Premier has looked at the advice the former Lieutenant Governor gave him on June 19 this year, in which he said, "The accord with the NDP has no legal force and cannot impair the powers or privileges of the Lieutenant Governor, nor of members of the Legislative Assembly." Does the Premier accept His Honour's advice, or is he simply setting up a defeat in this House so he can engineer an election?

Hon. Mr. Peterson: I am having trouble again. On the one hand, he accuses me of breaking an illegal agreement; on the other hand, he says it is not legal. I am having difficulty understanding the real concern of the honourable member opposite, but let me try to penetrate through that.

I think he is saying he does not want an election or he fears an election, and are we going to have an election. I think that is it. Let me assure him I have no plans to make any plans to visit the Lieutenant Governor today.

Mr. F. S. Miller: Given that he will sign anything to get power, I guess I cannot accept that either.

Mr. Martel: What did the Leader of the Opposition promise?

Mr. F. S. Miller: I promised honest government in this House and a daily consultation with the member's party, not a spurious piece of paper.

CREDIT RATING

Mr. F. S. Miller: Given that the Treasurer will be meeting with Standard and Poor's shortly, given that they will be talking to him about the creditworthiness of our province and given that confidence in Ontario is very much a function not of the balance sheet but of the government in power, what is the Treasurer going to do to instil confidence with that bond-rating agency, especially after the cavalier approach he took—

Mr. Speaker: The Treasurer.

Mr. F. S. Miller: —towards the triple-A rating in his budget? Do not be too fast, Mr. Speaker.

Hon. Mr. Nixon: I intend to continue to make available information from the Treasury of the province to the rating agencies as we have done since we assumed office. They indicated they

wanted to discuss the ramifications of the budget with the officials, and I look forward to that occasion.

I will be able to say to the representatives of Standard and Poor's, Moody's and anyone else who wants to discuss budgetary matters that as Treasurer I am proud that I have put before this House a carefully constructed plan which will meet the requirements of the expanding costs of the burdens of the province. It will pay in a rational and fair manner for increased costs associated with programs announced by the Premier (Mr. Peterson), programs we believe in. At the same time, we have a program that deals with our partners in municipal and school finance in a way that is understandable to them, giving them an opportunity to plan for the future that they have never had in the past.

At the same time, we are providing funds to improve the quality of our education system, to improve our road system and to provide the kind of expanded programs for housing that have been lacking in the province for so many years. I am sure we can convince the members of the rating agency, whatever their decision happens to be, that we are responsible and creditworthy.

We have swept aside many of the archaic accounting principles under which some of the bad decisions of the government preceding us were undertaken. We have taken a strong position to set aside the bad financial deals entered into by the previous government, particularly the purchase of Suncor. We believe we are approaching this—

Mr. Speaker: Order.

Hon. Mr. Nixon: —in a businesslike way and that we are strengthening the creditworthiness of the province. We trust that will be seen by any objective observer.

USE OF TIME IN QUESTION PERIOD

Mr. Harris: On a point of order, Mr. Speaker: We have heard about four minutes of a ministerial statement not addressing the question that was put. You cut off the question after about 15 seconds; I think the record will show that. If you are not going to be fair in allocating time, would you mind adding two or three minutes to question period for that statement?

Mr. Speaker: I thank the member for Nipissing for his advice. However, if he looks at the standing orders, it is up to the Speaker at least to try to make the decisions during question period. I would like to advise him that the first question took two minutes. I was trying to speed things up.

If it is the wish of the members, once we come to question period I will be glad to jump up at the first question mark, rather than have two- or three-part questions plus editorial statements. I will then be glad to cut in whenever I feel the reply has used up the same length of time. I guess I have to use my own judgement.

Mr. F. S. Miller: Mr. Speaker, I hope you will also look at the amount of time the New Democratic Party used on its second supplementary.

CREDIT RATING

Mr. F. S. Miller: One thing the new Treasurer will discover is that the bond-rating agencies will cut through the bullroar he has just delivered in about two seconds. They will get down to facts. If they have had trust in this province, it has been reflected in a triple-A rating. Having cut the assets of this province to the bone, having decided there will be two per cent less growth in this province next year, and having decided there will be 50,000 fewer jobs created in this province next year, how can he expect them to believe the government will meet its obligations? How will he undo the damage?

2:30 p.m.

Hon. Mr. Nixon: The only reduction in asset value of any significance was the \$650 million the member for Muskoka (Mr. F. S. Miller) spent when he was Treasurer, which is now, according to newspaper reports, worth less than \$160 million. I regret that very much, but we are trying to deal with those difficult matters in a firm and businesslike way.

Mr. F. S. Miller: If the province's debt is in the range of \$25 billion and it costs one-quarter point, does the Treasurer mean to tell me the \$60-million final cost of that rating dropping to a double A is so insignificant to him that he is not interested in the work programs he could create? Is he not interested in retraining programs and social programs? Is he prepared to throw it away? Is that what he is telling us?

Hon. Mr. Nixon: I stated in the budget that I considered a credit rating an important matter, but I went on to state that the priorities for this province are set in this House by this government and nowhere else. I have clearly indicated that the budget is a firm and businesslike approach to the problems that we as a government have inherited. We believe we have set our sights firmly on the proper, fair and judicious implementation of new programs, and particularly the provision of dollars to pay for them.

LANDFILL SITE

Mr. Rae: I have a question to the Premier with regard to the long-standing issue of the landfill site in Oxford county. The Premier will be aware that on a number of occasions from 1983 to 1985 he stated very clearly he was outraged by the method used to designate the site in Salford and that he was opposed to the Davis government's decision to change its mind and overrule the joint consolidated board. He was quoted widely in newspapers throughout Oxford county, and more widespread than that. Now that he is in government, he is in a position to do something about this site. Is he going to take action to protect the citizens of Salford?

Hon. Mr. Peterson: The member is absolutely right. I have been very involved in this question for some time. It is helpful to review the history of this matter. In 1975, Oxford county purchased 60 acres of land near Salford. I understand the member for Oxford (Mr. Treleaven) was then the lawyer handling the deal. In 1977, the county expropriated—

Mr. Treleaven: On a point of privilege, Mr. Speaker: That is an incorrect statement. Withdraw that statement.

Mr. Speaker: Order. That is not a point of privilege the member is standing on; it is a point of view.

Hon. Mr. Peterson: I am sorry. If that is incorrect, I stand corrected, but that is how I was informed.

In 1977, the county expropriated an additional 160 acres, and there was a lawsuit in 1978. In 1982, members will recall, there was a 59-day joint board hearing that decided the Salford site was not acceptable. I was involved at several points along the way. I took a position, and as a matter of record I should point that out again in this House. I said I believed it was a travesty of the system to have the hearing process with expert testimony overturned by politicians without it, politicians who knew very little about the issue.

The issue was overturned in 1983 by an appeal to cabinet. We are looking at this situation very carefully at present from three points of view. There is a considerable amount of legal opinion that a cabinet decision made acting as an appellent body could not be overruled by itself. There is, in fairness, a different opinion now; that a different approach may be filing a consent in court to get around that. There is no clear answer on that question at the moment.

Secondly, about \$1.7 million has already been spent by the county for site preparation. Thirdly, I understand there may be some new technical evidence as well. The Minister of the Environment (Mr. Bradley) is very aware of this issue. He is reviewing it with his officials at present and I hope there will be an announcement very shortly.

Mrs. Grier: We are all aware of the facts the Premier has stated. However, he has now been in office since July and the request to review this matter was made to him very shortly after he took office. Would he not agree that by refusing to come to grips with it and make a decision as to what direction the government is going to take, he is in a position both in the courts and politically of defending a decision on the environment that he categorized as very wrong when he was in the opposition? How much longer can he allow this matter to go on?

Hon. Mr. Peterson: The point is quite right. The dilemma the honourable member points out is one that does not just exist in this case but in others as well. There are a number of things the previous government did with which I disagreed and still do, but the reality is we have the responsibility now and in some situations we are legally bound.

I believe it was a mistake at the time. With the information I just revealed to the leader of her party, we would like to have an announcement as quickly as possible. I know the Minister of the Environment is reviewing that. Frankly, I wish it had not happened, so we would not have to deal with it. It was a mistake. The question is how to cut our loss and unwind that situation, if we possibly or legally can. I wish I had an answer today for the honourable member, but I do not.

Mr. Treleaven: Is the Premier aware the Salford Concerned Citizens, through their member, have requested a reply from the Minister of the Environment requesting a new hearing or an opening of the old one, and continue to await a reply?

Hon. Mr. Peterson: I have real difficulty with that. What is the member's position on this matter? Is he against it or for it? Why did he not make these representations to the former government when it was in the appeal stage in cabinet? Frankly, the member's opinion on this issue is incredible. He should be embarrassed to stand up and take this pious position now.

Mrs. Grier: I accept the Premier's statement that he is considering a solution to the problem, but if so, can he tell us what discussions he has

had with the county of Oxford, as the county and government are joint defendants in at least one of the legal actions initiated by the citizens?

Hon. Mr. Peterson: Personally, I have not had discussions, but I am very aware that my staff have, as well as the Minister of the Environment and his staff. They are right up to date on this question.

I know the uncertainty this is causing. As I said, \$1.7 million has already been spent and there has been some progress. There are a number of options, perhaps under the ambit of laws that exist. Perhaps there can be a new hearing, perhaps not. Perhaps it can be overturned, perhaps not. This is a tough call. I will be back to the member on that as soon as I can.

EMPLOYEE HEALTH AND SAFETY

Mr. Rae: I have another question of the Premier. It is about a very specific area in which we can see a real regulatory breakdown in the province. The Premier is aware that 38 of 88 charges under the Nursing Homes Act were thrown out by a judge in weekly court in Toronto, including 14 charges of failure to provide restorative nursing.

He will also be aware the Minister of Labour (Mr. Wrye) has stated in this House that, even in an instance in which the Ministry of Labour on five occasions repeated the same order to correct the ventilation system in a plant in Windsor where there is a worker who is affected by hard-metals disease, a permanent disability affecting the lungs, the minister has said he is incapable of taking the company to court because he says the opinion is that it would not be successful.

These are two instances of regulatory breakdown affecting health and safety. What is the Premier prepared to do now to deal with these situations, so the health and safety of the citizens of Ontario can finally be protected by their government?

Hon. Mr. Peterson: I think the member would get a far more complete answer from the Minister of Labour. I will refer the question to him.

Hon. Mr. Wrye: Obviously, I cannot speak to the nursing home situation.

As I told the member for Sudbury East (Mr. Martel) last Tuesday and as I say to the leader of the third party today, they are suggesting there is a regulatory failure in the Valenite-Modco case, a weakness in the act and the regulations. They will get no argument from this minister or this government on that. As I suggested to the

member for Sudbury East and as I suggest to the leader of the third party today, we are urgently addressing that matter and I expect to have something quite concrete in the not-too-distant future.

2:40 p.m.

Mr. Rae: I want to go back to what has happened in this province. We have pieces of legislation that are designed so badly to deal specifically with the problems that are there that they could not have been intended to be used, and now we are having to pick up the pieces.

With respect to the Nursing Homes Act and the Occupational Health and Safety Act, two acts that really have holes in them if they cannot be used in these instances, what is the Premier going to do for those patients who are in the Elm Tree Nursing Home today and who have been there in the past? The home has been charged because things that should have been done, according to the government's own inspectors, have not been done. What is he going to do for those people now that his government has been shown to be powerless in its regulatory authority in the province?

Hon. Mr. Peterson: I can tell the honourable member that we have inherited a number of issues that we are working on very actively. We have had a very full agenda, and the ministers are looking at those acts. A number of pieces of legislation are under full and complete review, and they will be reviewed by this House at the appropriate time.

With respect to specific patients, I cannot bring the member up to date on that; however, I am sure the minister will approach that matter sensitively, and if we can be of assistance by using our offices we will be very happy to do so.

Mr. Gordon: Since the Minister of Labour is not willing to prosecute, is the Premier aware that within the past month Carl MacPetrie in Syracuse, New York, pleaded guilty to lying to a US safety inspector with regard to Valenite-Modco? He was their safety supervisor. In view of the fact the same Mr. MacPetrie was in charge of health and safety matters for the Windsor operation of Valenite-Modco, is the Premier prepared to launch a thorough investigation of this company's approach to occupational health and safety?

Mr. Speaker: The Premier? Is that referred to the Minister of Labour?

Hon. Mr. Wrye: I am well aware of that. I watched the program Monitor on Monday night as well. To repeat what I suggested in my first answer to the leader of the third party and what I

suggested to the member for Sudbury East the other day, we inherited a mess from the people over there and we are going to clean it up.

Mr. Rae: There is an inheritance. Yes, there is an inheritance of laxness and of laws that do not work.

The question the government has to address on an urgent, priority basis, and in some instances on an emergency basis, is when it is going to introduce the changes in the law that will finally give it some teeth instead of having inspectors go around laying charges that will not stand up for five minutes in a court. When is the government going to bring in the changes that will make a difference to people?

Hon. Mr. Wrye: Since the Premier would like me to deal with the Occupational Health and Safety Act, I think it is fair to suggest today that the legal opinion identified some three areas in the act, and I will deal with at least two of them next week.

NATURAL GAS PRICING

Mr. Andrewes: My question is for the absent Minister of Energy (Mr. Kerrio); so I will put it to the Premier. The Minister of Energy's statement last Friday with respect to natural gas pricing indicated the price of natural gas should fall by approximately \$1 per 1,000 cubic feet. On Monday, the minister could not tell us the substance of that argument, nor has he indicated the impact of the proposed reduction on the Ontario economy or on jobs in this province.

In the light of its increased taxes on gasoline in this province, what sort of credibility does this government have in making a strong argument on behalf of the industries and the gas consumers in this province before the government of Canada?

Hon. Mr. Peterson: The honourable member will be aware that his government doubled the gasoline tax under the ad valorem; so I say to him please not get too pious about this.

Second, I am sure the member is aware—he may not be; so I will point it out to him in case he is not—that there is a difference between gasoline and natural gas. That is the subject of these discussions. We have been very worried on this side of the House about things we hear emanating from the discussions of the federal minister with respect to what may or may not happen with natural gas pricing. That directly affects consumers and industry in Ontario.

We have elicited the help of everyone, including the federal members of Parliament. I am sure the member and his colleagues have spoken strongly to their friends in Ottawa, and

that the member stood up for Ontario's interests. I have not seen the evidence that he has, but I assume the members opposite are all working on our behalf to make sure Ontarians do not end up in a position where we are paying substantially more for natural gas than the export price that was built in for the United States, and therein is the word. It would affect fundamentally our competitive position as well as the direct out-of-pocket expenses of the consumers of Ontario.

It is a very worrisome issue for us, and the minister has been on top of it for a long time. We have made representations wherever we could, but the member will know we were not part of the summit group, something we disagreed with fundamentally. That being said, it is my understanding the minister is being briefed at this very moment and Miss Carney may have an announcement this afternoon.

Mr. Andrewes: I can assure the Premier I know the subtleties and the difference between gasoline and natural gas. My question was on the sense of credibility.

The Premier, through the minister, sought a seat at the discussion table and he failed. He played a game of confrontation with the federal government and with the producing provinces and he failed. He appears to have alienated all the parties in this discussion and to have separated himself from the government of Canada and the producing provinces to the detriment of the gas consumers in this province. His rhetoric may have some political attractiveness in Ontario, but it will fail in the future. What is he doing and what is he going to do to make sure that Ontario consumers get a fair deal on natural gas?

Hon. Mr. Peterson: I cannot believe the member believes what he is saying. Is it his position that we should pay a lot more than US customers just to make everybody happy? Does he realize how foolish he looks standing up and asking a question like that? He did not get a place at the table when he tried. His government tried when he was the minister, and he did not get it. He relied on his friendship with those guys in Ottawa and they abused him royally. That is what happened.

We made our representations through the working group and others. We have been fighting for the interests of the people in this province, not him.

Mr. Swart: Regardless of who may be to blame for this most recent agreement, which fails to protect the gas consumers of Ontario—and certainly this government has to take a lot of

blame for that—the Premier will be aware that the Canadian ownership special charge was dropped last June 1. Can the Premier explain why that saving of \$92 million between June 1 and October 1 was not passed on to Ontario consumers when he had the power to do so?

Hon. Mr. Peterson: There is no party and no government that is more interested in standing up for the interests of this province than the Liberal Party and this government; there is no question about that. The honourable member is aware of the situation that exists right now where we are in the process of paying \$4.12 when it could be going across the border at \$1.50. Those are real problems we are facing and have been standing up for, and there has been no stronger defender.

2:50 p.m.

EMPLOYEE HEALTH AND SAFETY

Mr. Martel: I have a question for my friend "Russell Wrye," the Minister of Labour. Is the minister aware that throughout the Valenite-Modco problem, the workers were always aware when the Ministry of Labour was going to inspect and management had to clean up the plant? Is the minister also aware there was documentation as early as 1977 which indicated that the threshold limit values were greatly exceeded, and is he further aware Mr. MacPetrie states that the ministry issued orders, not only in 1977 but also in 1974, 1977, 1978, 1979 and 1981, and could have prosecuted at any time because those were repeat orders?

Will the minister table this legal opinion so we know what he is talking about when he says to us that he cannot prosecute?

Hon. Mr. Wrye: It might be useful, since I have had some discussions, for me to refer the honourable member's point to my colleague the Attorney General (Mr. Scott).

[Failure of sound system]

An hon. member: The minister's microphone is not working.

Some hon. members: Stop the clock.

Hon. Mr. Nixon: We will have to speak up.

Mr. Rae: I can hear the minister. Can he hear me?

Interjections.

Hon. Mr. Wrye: I can only say to the member that the legal opinion from my branch, which was written on March 22, was that a prosecution would not be sustained for a variety of reasons. As I suggested to the leader of the third party, that indicated to us in a very important way weaknesses in the act. The opinion has allowed us to

look critically at those aspects of the act that need strengthening, and we are working on that on a very urgent basis.

If the member for Sudbury East would like some comment on tabling the opinion, I will refer the rest of the answer to the Attorney General.

Hon. Mr. Scott: It has not been the usual practice of the Ministry of the Attorney General to table opinions given to other ministries. However, the minister has summarized it correctly by saying it was the opinion of this ministry there were a number of reasons, principal among them weaknesses in the act, that would make a prosecution unsuccessful. The honourable member will have heard the minister say that he hopes to be able to respond to that affirmatively in the Legislature within 10 days. I think that answers the question.

Mr. Martel: If I understand correctly, the Minister of Labour said it was the opinion of his ministry back in March. I want to know who is covering whose derrière. When I see people whose lungs are being destroyed over a 10-year period and we cannot do anything about it, then somebody is covering his backside. I want to know why we cannot prosecute those birds who were given 29 orders by this ministry. It is time the minister housecleaned over there.

Hon. Mr. Wrye: I think the voters did some housecleaning on May 2, and that will begin to solve the problem. I understand the concerns of my friend; they are concerns which I share. As I address them—I give this assurance to my friend—I believe it will become apparent where the weaknesses were.

At this point, rather than carry on with a long answer, I will only remind my friend that in terms of prosecution, it may be fine for him and me to think of the period from 1974 to 1984, but in terms of consideration of a prosecution by officials in my ministry, and later by officials in the Ministry of the Attorney General, we can talk only of a one-year period.

I want to share that with my friend so he will understand we can talk only about a briefer period of time and we cannot consider some of the earlier orders. Some of the concerns and some of the problems we inherited will become clear as we act to correct them, and correct them we will.

Mr. Gordon: Given the fact the minister indicated in July he was going to maintain a very firm stand with companies that violated the Occupational Health and Safety Act, can he tell this House how many prosecutions and/or fines

have been levied since July, since he has supposedly been taking a tougher stand?

Hon. Mr. Wrye: Obviously, I do not have the numbers at my fingertips. I suggest to the honourable member that two of the problems we will be addressing have to do with the orders and prosecution policy, which we found to be in woefully weak shape when we took over. We will be addressing those problems.

I can assure the member that officials in the occupational health and safety division of my ministry have been told they should not be reticent in laying charges and moving forward with prosecutions as necessary. That comment has been repeated on a number of occasions.

If the member would like some specific information pertaining to the period from, say, July 1 to September 30 or October 31, I will attempt to get that to him as quickly as possible.

EMERGENCY FACILITY

Mr. Timbrell: I have a question to the Minister of Health arising out of a number of phone calls I have received in recent weeks from constituents of the member for Brant-Oxford-Norfolk (Mr. Nixon), and in particular from residents of the town of Paris, who are strongly supportive of their community hospitals.

Has the minister had a chance to review the submission of Dr. William E. Noonan and the response of the board of the Willett Hospital? If so, can he assure this House and the fine people of the town of Paris and surrounding communities that the spirit, the letter and the intent of the document that was signed on March 25, 1980, which guaranteed an emergency department and nine holding beds for that hospital, will be honoured and will proceed as negotiated at that time by representatives of the Willett Hospital, the Brantwood Residential Development Centre, St. Joseph's Hospital, the Brantford General Hospital and the Brant County Medical Association, and as approved by the Minister of Health of the day?

Hon. Mr. Elston: In this ministry there are no plans to do anything to close the emergency facility at the Paris hospital. There is a question being raised in the community today which I think was unfortunately raised by my request to meet with the board this evening to speak about some difficulties with that hospital. I am going to that facility this evening, and I will be meeting with the board.

I understand they are generating some kind of public campaign—at least somebody is—by having loudspeaking vehicles in the streets asking

people to turn out. That is a totally inappropriate reaction to a request from the Minister of Health to visit with that board to discuss some difficulties which Dr. Noonan reported to me, and which have been addressed not only in his report but also in the response from the people who are representatives on the board of that hospital.

There is no intention to do anything with that emergency facility. I have not at any time indicated an intention to do that. It is an impression that has been wrongfully created by people who are not doing their homework, and it is not serving the community very well.

3 p.m.

Mr. Timbrell: It would appear the minister has not read his own report. In his report, Dr. Noonan recommends that "the emergency service at the Willett Hospital be converted to an ambulatory care service," etc.

Do I take it from the minister's response that he is categorically rejecting that recommendation by Dr. Noonan, that he will ensure the agreement of 1980 will continue to be honoured, and finally that he will support all the efforts of the administration and the board of the Willett Hospital to proceed with the emergency care program, along with the other much-needed renovations to that hospital?

Hon. Mr. Elston: They continue to dump questions on top of questions, but let me respond. The reason I wish to meet with the board this evening is to discuss the report and its reply to the report in a reasonable manner.

This honourable member obviously wants to participate in a board discussion with the Minister of Health and I understand he is quite welcome to be at that meeting if he wishes. I said they could invite anybody they wanted. He can be involved in that discussion. I have asked for an opportunity to discuss the report with the board. I think is a very reasonable way to respond and I invite him to be there.

All I can say is I have no intention of closing that emergency service. He should not try to hold a discussion here on behalf of the board unless he is prepared to go down and discuss it with the board this evening. He should come on down with me and we will discuss it with those people. It is the community that has to be well served by this discussion and I am taking the discussion to the community.

Mr. Speaker: Order. New question, the member for Scarborough West.

Mr. R. F. Johnston: If Bob Barker is finished, my question—

Mr. Timbrell: Just answer the question.

Hon. Mr. Elston: I said there is no intention to do anything with that emergency—

Hon. Mr. Nixon: He said he had no intention of closing the emergency. What could be clearer?

Mr. Timbrell: I want a clear answer.

Mr. R. F. Johnston: Do you have a statement to make, sir?

Mr. Speaker: New question, the member for Scarborough West.

SOCIAL ASSISTANCE

Mr. R. F. Johnston: I have a question for the Minister of Community and Social Services, coming out of his statement today. I congratulate the minister for recognizing the special needs of poor children and for exceeding Frank Drea's allotment by \$20 million. That is a step of some sort, although it is not as large as I would like to see.

I am a little concerned and I would like the minister to explain why he has taken such a paternalistic view of social services by actually earmarking money directly for winter clothing, rather than recognizing that we should be giving adequate money as a base amount to those parents so they can make the parental decision about proper nurturing, proper clothing and proper housing for their children. Why has he earmarked this specifically for winter clothing rather than putting it on a base amount and letting them make the decisions for themselves?

Hon. Mr. Sweeney: The feedback I have received from the agencies that provide service to our clients and recipients, and from some of the people themselves, was that at this time of the year parents, and single parents in particular, were faced with the choice between buying winter clothes or buying food for their children. Therefore, it was our intention to help them with that decision by providing this extra amount once a year.

Clearly, while we will indicate to the parents that is the purpose for the extra cheque, we are not going into their homes in any way to police how they spend it. If they choose to do something else with it, which in their wisdom and personal choice is preferable, that is their decision. We are trying to help them meet a particular need at a particular point in the year.

Mr. R. F. Johnston: Christmas charity, quite frankly, is not what we need. What we need is a recognition that they cannot budget year around because of an inadequate amount of money.

Does the minister recognize that, taking the average rents in Metro Toronto last April according to Canada Mortgage and Housing Corp., even with his increases to the rent subsidy a family with a three-bedroom apartment is still going to have to take \$167 out of its food amount to pay the rent? If a family has more kids and is in a four-bedroom apartment, it is going to have to pay as much as \$230 out of its food component for rent. They are still way out of line. He may help them budget for one month around Father Christmas time, but he is not helping them with their budgeting year round until he makes up for the discrepancy in the real rent those people have to pay.

Hon. Mr. Sweeney: The statement I made today clearly indicates we have targeted a number of needs. One of those was rental subsidy. The increases I announced today are considerably and significantly higher than those announced in recent years. I expect the member will recognize that. The increase is 18.4 per cent for families every single month of the year.

Once again, because we were advised that parents are being faced with the choice of either paying the rent or buying food, the attempt was made to give them more money so they could make the choice as to how to use that money. We are not directing it. We are simply providing it to offset an additional cost. That is the whole purpose of it.

There are a series of other types of assistance for handicapped children, for children generally, and for families an additional \$50 a month. If they want to use it for food, clothes, rent, or whatever, that decision is theirs. We are providing them with the extra money and they make the decision as to how to spend it. That is reasonable, responsible and sensitive to their needs.

RAINY RIVER SYSTEM

Mr. Pierce: My question is to the Minister of the Environment regarding a news release by his ministry about the chemical tetrachlorodibenzo-p-dioxin, 2,3,7,8 (TCDD) possibly being found in the fish taken from the Rainy River system located in my riding by the United States Environmental Protection Agency.

The US federal agency took five fish from two locations near the border towns of Fort Frances and International Falls. The tests conducted by them indicated that in walleye and white sucker they contained 12 parts per trillion and 19 parts per trillion. In two other fish the results showed 23 parts per trillion, and in a 12-pound pike 85 parts per trillion. The Department of National

Health and Welfare has set a maximum allowable level of dioxin in the edible portion of fish at 20 parts per trillion—

Mr. Speaker: Question.

Mr. Pierce: Will the minister tell the House today whether his ministry carries out the same types of tests as the US Environmental Protection Agency? If so, are the findings the same as those of the EPA? If they are, why have we not known about it?

Hon. Mr. Bradley: I thank the member for the question. It gives me an opportunity to discuss a matter which is obviously of concern not only to the member for Rainy River but, I am sure, for all in northwestern Ontario.

We are certainly gratified with the co-operation we have received from Minnesota in this regard. As the member has aptly pointed out, specifically in the results of the testing of five fish the important part is the fillet or part of the fish that is eaten. Our ministry is undertaking much more extensive tests at this time. We have 175 fish, different kinds of fish, taken from the area. We have taken them to our laboratory here in this part of the country. We are analysing them.

The member would probably know from information he has gathered that this kind of analysis takes from four to five weeks to complete. We feel there is some concern, naturally. Even though it is parts per trillion, I am always concerned when I hear the word "dioxin," specifically that kind of dioxin. I assure the member we are doing very extensive testing and at the earliest opportunity, as soon as we get the results of the tests on the fish, I will be happy to reveal them to him and the public.

Mr. Bernier: I am surprised to hear the minister say he is gratified with the support and co-operation he is getting from Minnesota. The information I have is that they knew about this problem six months ago and did not tell his ministry until last Friday.

3:10 p.m.

Will the minister assure this House and the people of northwestern Ontario that testing is being carried out, not only in the Rainy River but also in the system above, the Lac des Mille Lacs watershed, Lake of the Woods and the Winnipeg River system? Will he also tell the House about his ministry's efforts to determine the source of this chemical? The people of northwestern Ontario are very concerned about the drinking water. Will he work closely with the municipalities in that regard?

Hon. Mr. Bradley: The suggestions the member has made are all suggestions we are acting upon. I think they are very reasonable.

Let me go to the drinking water first. We have made tests of both the raw water and the drinking water around Fort Frances and Echo. The results have shown no detectable dioxin, and that is of some relief to us.

The member brought up an interesting point. Initially I was of the opinion we had received the results early, but just before I came into question period I had some indication that Environment Canada did not get them as soon as it might have. I would like to investigate that because I think the member would agree with me it is essential that on either side of the border we should be trading evidence back and forth as soon as we get it.

As to the specific sites, we are looking at all possibilities. As the member knows, one of them is the paper mills. Boise Cascade has indicated a very strong willingness to co-operate to the utmost in that regard on this occasion to ensure it is not the site. That is one of the possibilities. Second is some airborne pollutants that might have emanated even from Minnesota as a result of the improper burning of some combustible material. Third, we are even looking at landfill sites and perhaps at any of the runoff from landfill sites.

We are going to investigate every possible source to clear this up as soon as possible, because I know the members from northwestern Ontario are concerned for the health of the people in the area and also for the very important tourism industry they have up there. They can be assured of my full co-operation and of the full activity of this ministry in solving that problem.

Mr. Pouliot: Plus ça change, plus c'est la même chose.

Given the sincerity of the minister, of which I have no doubt, it must nevertheless be somewhat embarrassing to have to rely on external or foreign sources to tell us about the degree of pollution and the potential hazards in our own rivers in northwestern Ontario. Given the fact that dioxin is one of the most dangerous chemicals known to man, and given the fact that the Rainy River system is quite an extensive system, will the minister give us his assurance that as soon as the findings are available they will be made public to all sources?

Hon. Mr. Bradley: I think it is exceedingly important that this be done at that time rather than to delay it.

As to the first suggestion from the member, I am concerned that the results came from

somewhere else, but from time to time we share them back and forth.

I would like to have a very good look at our ongoing monitoring program, because the member identifies a very important system up there. All three members have brought that up, I think appropriately. It is a very important water system to tourism in Ontario and to the people who reside there.

The House will get a full report without anything hidden. It will be placed before the members and they will be able to ask me what appropriate action we are going to take in that regard. I will be happy to answer at that time.

NURSING HOMES ACT

Mr. D. S. Cooke: My question is to the Minister of Health. It is a follow-up on the Elm Tree Nursing Home decision.

Understanding that as a result of that court decision, owners or licensees will no longer be held responsible in law for such things as the use of restraints, restorative care, maintenance of personal hygiene and therapeutic diets, and that no one is responsible for the regulations that state, "Every nursing home shall be so maintained at all times as to be free from anything that might be hazardous to the health or safety of the residents," what specifically does the minister plan to do to protect the 29,000 nursing home residents in this province, understanding that a court appeal does not solve the problem in that it could be months, and in the meantime residents remain unprotected?

Hon. Mr. Elston: I thank the honourable member for the question, but I think he has to realize as well that we are now fully into a review of a number of the difficulties in the act as set out earlier by the leader of the third party. We have a review that is ongoing of how we can implement more rigorous inspections and better controls with respect to the quality of care in nursing homes. It is not a problem that has escaped our attention during the last several weeks.

As the member suggested, we will be looking at the question of the appeal. We will still be laying charges in the course of that, and looking at putting the current charges that are waiting to be heard on a deferred basis until the question can be finally settled with respect to the old act. We are fully involved in that review and we intend to enforce the current standards to the best of our ability.

Mr. Davis: On a point of order, Mr. Speaker: I have in my hand half a hamburger, which is for the tax-free diet of the Treasurer (Mr. Nixon). I

would like to send it to him. That is all we could find for under a dollar.

PREMIER'S COMMENTS

Mr. Cureatz: On a point of order, Mr. Speaker: I would like to draw your attention to our standing order 11, "The Speaker shall not take part in any debate before the House..."

I read that section to you because I was very concerned during question period about the attitude of the Premier (Mr. Peterson) in bringing out into debate a matter concerning our Deputy Speaker. I am very concerned. I want to remind you, Mr. Speaker, that in your position you should let it be known to all members of the chamber that it is very difficult when members attack you or the Deputy Speaker and Chairman of the committee of the whole House, and then they expect that within five or 10 minutes you or the Deputy Speaker will sit in your chair and attempt to make fair rulings in these chambers.

I do hope in the future, we, as members of this House, are not being jeopardized by putting our Speaker or Deputy Speaker and Chairman in the embarrassing position of having to respond in these chambers and then having to come back to these chambers and attempt to make fair rulings.

Mr. McClellan: On the same point, Mr. Speaker, the member for Durham East (Mr. Cureatz) has raised a very good and valid point. In the absence of the Premier, I hope you might communicate that to him.

Mr. Speaker: I thank the member for Durham East and the member for Bellwoods (Mr. McClellan) for their comments. I am sure the Premier will read the comments. I do not think it is necessary that I draw it to his attention. I will just say thank you for your point of order.

Hon. Mr. Nixon: Mr. Speaker, I would ask the House to revert to statements so that the Minister of Consumer and Commercial Relations (Mr. Kwinter) may make a brief statement to the House about information that was not available to him at the time the statement period began.

Mr. Speaker: Is there unanimous consent of the House?

Agreed to.

STATEMENT BY THE MINISTRY

REMOVAL OF WINES

Hon. Mr. Kwinter: Mr. Speaker, shortly before noon today, I received information that I wish now to bring to the attention of the House.

On October 8, 1985, the Liquor Control Board of Ontario removed from the shelves of its

general retail stores two wines produced by the Italian winemaker Dogliani. These two wines are Barbera D'Asti and Cortese. As well, on October 18, 1985, two brands from the same manufacturer were withdrawn from stock from the Vintages rare wine store with the following brand names: Chardonnay Della Langhe 1982 and Barolo 1978 Kiola. All of these wines have now been removed for the reason that laboratory tests indicate the presence of diethylene glycol.

It was the view of officials at the LCBO laboratory that in order to maintain our consistency in distributing only safe and high-quality products, these brands should be removed.

3:20 p.m.

I have today instructed the chairman of the LCBO that the board must inform the public immediately upon the removal of any product from its shelves for health or safety reasons. Apparently, this has not been the policy in the past, but I can assure the members this will be the practice of the board in the future.

I should also inform the House that as a result of news stories today regarding Austrian wines, it is my information that some Austrian wines produced in Burgenland province may include sodium azide. According to the Liquor Control Board of Ontario laboratory, which is checking into this situation, it is our information that none of the wines listed by the LCBO comes from that province of Austria.

I should add that the Austrian trade commissioner has informed us this problem relates only to small suppliers and the LCBO officials advise me we only purchase products from the larger suppliers. Therefore, it does not appear to create a problem. I will keep the members informed as further information becomes available to me.

TABLING OF INFORMATION

Mr. Grande: Mr. Speaker, on a point of order: On June 17, I placed approximately six questions on the order paper and on July 22, 1985, I received an interim reply suggesting that the information would be available by October 15. To this date, October 31, I still do not have answers to those questions.

Mr. Speaker: I am sure the minister will take note of that.

PETITION

ROMAN CATHOLIC SECONDARY SCHOOLS

Mr. Pierce: I wish to table a petition concerning full funding for separate schools, which concludes:

"We, the undersigned, of Our Lady of the Good Counsel parish, Rainy River, Ontario, urge you to support the proposed legislation."

The petition is signed by 25 people from the community of Rainy River.

REPORT

STANDING COMMITTEE ON REGULATIONS AND PRIVATE BILLS

Mr. Callahan from the standing committee on regulations and private bills presented the following report and moved its adoption.

Your committee begs to report the following bills without amendment:

Bill Pr1, An Act to revive Famee Furlane of Hamilton;

Bill Pr2, An Act respecting the Historic Vehicle Society of Ontario;

Bill Pr13, An Act to revive The Central Pipeline Company, Limited;

Bill Pr14, An Act to revive Agricultural Anhydrous Ammonia Co. Limited;

Bill Pr16, An Act respecting the Canadian National Exhibition Association;

Bill Pr20, An Act respecting The Peterborough Civic Hospital;

Bill Pr21, An Act respecting Charity House (Windsor).

Your committee would recommend that the fees, less the actual cost of printing, be remitted on Bill Pr21, An Act respecting Charity House (Windsor).

Motion agreed to.

ORDERS OF THE DAY

COMMERCIAL VENTURES IN RURAL AREAS

Mr. Reyecraft moved, seconded by Mr. G. I. Miller, resolution 12: That in the opinion of this House, in witnessing the financial crisis currently being experienced by family farm operators in our rural agricultural regions, the government of Ontario should recognize the need to encourage various long-term strategies such as the development of new commercial and industrial ventures in rural areas as alternatives and supplements to traditional farm family incomes; such initiatives will help to maintain and preserve the social fabric of our rural communities.

Mr. Reyecraft: In the county of Middlesex, there is a very pretty but small township by the name of Delaware. In Delaware township there is a very highly respected farmer named Gerry Long, who owns and runs Wood Lynn Farms.

Gerry is a dedicated, hardworking farmer. He is involved in pork, beef, apples and eggs as well as in cash crop production. But Gerry Long knows, as all too many of his farming neighbours know from first-hand experience, that there is an ill wind blowing down the back roads of this agricultural heartland in southern Ontario, and he knows that this wind is not about to let up.

A few weeks ago in the London Free Press Gerry Long was quoted as saying: Farm folk are bred at the kitchen table to be a farmer. I never did that to my kids, and thank God I didn't. This situation tears the guts out of people morally, physically and mentally."

That is why I am bringing forth this resolution. Too many of our farmers feel as if their guts are being torn out of them. Farmers are wondering if their new government at Queen's Park will provide them with the kind of long-term help they have earned and deserve, the kind of help they did not receive from the previous government.

I could stand here and bore everyone with statistics and mile-long lists of figures that prove just how bad the financial stranglehold is on the farmers, but everyone here is familiar with these dismal numbers. We have read them in the papers, we have heard them from our constituents and we have discussed them in this House. They tell us that the number of farms in Ontario that sell more than \$25,000 worth of agricultural products in a year has decreased by about 13 per cent in the last 10 years. They tell us that Ontario has lost more than 12,000 farms during the last 15 years. There is no need to tell us more of what we already know.

But there is an issue that I think deserves closer scrutiny, for it is an issue that strikes at the very heart of our rural communities. We must pay more attention to the devastating social consequences of the current financial crisis. I am deeply concerned about the disruptive effects on the way of life in the hundreds of communities and small towns in rural Ontario, as we continue to see farmers going bankrupt, family farms being sold and those farm families who have lost their source of income moving elsewhere.

Agriculture is the heart of Ontario's economy. We know it accounts for about 20 per cent of Ontario's jobs, and it is the family farm that has kept that heart beating. But the pulse is weakening and that heart is failing.

The family farm has always been a stabilizing force and a significant contributor to the quality of life in our great province. With the reduction in the number of family farms, the social fabric of

our rural communities is being torn asunder. When the victims of this crisis leave their farms and their communities, who will go in their stead to the local churches, the service clubs, the municipal councils, the community organizations and the schools? What will happen to the local businesses when those farmers are no longer there to be customers?

These are questions that must be asked. Concerns such as these have prompted me to draft this resolution. We must do something. We certainly know better than to think Ottawa will do something for us. They will still be dancing their shuffle around this issue when the damage is done and is way beyond repair.

I am very encouraged by the resolve and the vigour with which our new government is searching for ways to solve farming's financial problems. Not three months ago, just a month after taking office on August 8, my colleague the Minister of Agriculture and Food (Mr. Riddell) announced the Ontario family farm interest rate reduction program.

OFFIRR, as the members of this House well know, is a \$50-million, short-term program to assist up to 10,000 financially distressed Ontario farmers. It will subsidize interest rates in excess of eight per cent on up to \$200,000 of farm debt. The response from the rural community to the OFFIRR program has been very favourable. Many have told me of its valuable and timely effect on their operations. It is aiding those Ontario farmers who need it most.

3:30 p.m.

Supplementary to that, my colleague the Treasurer (Mr. Nixon) introduced in his budget last week a \$6-million transition fund to be established to assist those farmers who have no other option but to leave the agricultural industry. He also announced that an additional 10,000 subsidized child care spaces were to be provided in Ontario with priority given to child care in rural and underserved areas.

Another program very close to being implemented, as we heard from the Minister of Agriculture and Food last week, is the long-awaited tripartite stabilization program, which will provide price stabilization to red meat producers in Ontario. This program represents a form of income insurance. It will smooth out the price cycles that can drive farmers into bankruptcy.

The red meat producers of Ontario have waited a long time for this program. It will provide them with some income equilibrium, which in turn will benefit the rural communities in which they

live. Ontario and the three prairie provinces strongly support this initiative. Ontario is so confident that the tripartite agreement will be signed that in his budget, the Treasurer has included some \$20 million towards Ontario's contribution to the program.

Also in conjunction with recently announced budget initiatives, the Futures program of training and employment for youth was announced on October 22 by the Minister of Skills Development and Colleges and Universities (Mr. Sorbara). This program, designed to provide on-the-job training plus schooling for hard-to-employ young people, can and should be emphasized to our rural youth, thus allowing them to train and work within the rural environment where they grew up and where they wish to establish their future.

Not only is the Liberal government responding to the immediate concerns of the farm community, it is in the process of developing long-term financial strategies for our rural heartland. We have put together a top-flight task force consisting of specialists from the Ministry of Treasury and Economics, Management Board of Cabinet and the Ministry of Agriculture and Food.

This task force is examining all aspects of farm finance, including the role of private lending institutions and federal agencies. It is assessing the ability of the agricultural industry to adjust to a continually changing economic environment. In keeping with our commitment to open government, the task force is communicating directly with farm organizations and interested individuals seeking their proposals and suggestions.

The task force will evaluate these and prepare its recommendations by February of next year as part of the process of developing Ontario's 1986 budget. Although stabilization initiatives are positive and necessary steps, they are only a beginning to the solution. I am confident our task force will succeed in developing dynamic long-term strategies.

We know the problems that challenge our farmers are not just Ontario problems and are not just Canadian problems. They are challenges that are international in scope. The international market is in a state of disarray. As evidence of that, one need look no further than the controversy raging in the agricultural industry within the European Community and also to the knee-jerk reactions of the American protectionists.

The problems of the EC and the United States situation are beyond the range of the resolution before us. I would like to focus on the problems

our rural areas are experiencing. The disappearance of Ontario family farms is producing alarming social spinoffs. Families are moving away for a chance at a better life somewhere else. Youth, with no opportunities for employment in the profession of their parents, are leaving for the cities. Enrolment in our rural schools is declining, which means there are even fewer youth to carry on the family farm tradition. The moral and social fibre of our rural communities is in jeopardy.

Enough of speaking in general terms. I would like to paint some human faces on these abstractions. I would like to take just a few minutes to tell the members a story of a young farming couple in the Glencoe area near my home. I know both of these young people, who were married in 1978 and now have two children. I have watched these two young people as they progressed through the secondary school in Glencoe where I taught. Both of them took a very active role in the school and in our community in general. The young woman while a student frequently baby-sat my eldest son.

Both of them went on to obtain a good education. The young man graduated from the University of Guelph with a bachelor's degree in agricultural science and the young lady graduated as a registered nurse. The families of these two young people are highly respected in the agricultural community of Middlesex. After their marriage in 1978, they purchased a farm from the young man's father at a very reasonable price and started their own operation in cash crop and pork production. The farm, by the way, has been in that family since 1832.

In 1978, the decline in the price of pork was already evident, something most of us thought at the time was only temporary. It had, after all, followed a cyclical pattern for many years. The declining commodity prices and the high interest rates of the early 1980s prevented the couple from making a profit in any given year, but with the assistance of a good chartered accountant and the interest rate subsidies from the Ontario farm adjustment assistance program the two young people approached their farming venture in a very responsible way.

They did not go out and purchase a lot of expensive machinery. They did not paint their barn or their buildings. They have not even taken a vacation since they started in 1978. Yet, despite their cautious approach, despite their solid education, despite their farming background and despite their very careful planning, they found

themselves at the end of last year with a debt load they simply could not manage.

After seeking expert financial advice they decided the most appropriate thing to do was to liquidate their farm and their other assets, which they did. They have also been forced to declare personal bankruptcy. What will this young couple do now to provide for themselves and their two young children? There are not many employment opportunities in the Glencoe area; so they may very well have to consider moving somewhere else. If they do that, our community loses in a great many ways.

The dilemma confronting this young couple is not unique. It is all too common in virtually every rural area across this province. If this young couple had been able to supplement their income from a source off their farm, they might have been able to keep their operation alive. Failing that, if one or both of them could now find employment in the local area, they could start their life over without having to leave the community.

They could continue to make a very valuable, personal contribution to their church, which has always been an important part of their lives, and to their local service clubs, rural organizations and so on. This young couple could continue to play an important role in extending the heritage of rural Ontario.

That is what this resolution is all about. It addresses itself to the development of new commercial and industrial ventures in rural areas. I suggest there are a number of initiatives that might be undertaken to accomplish that objective.

One such initiative under consideration is a job creation plan that would reimburse small business employers by providing tax credits for first-year employee wages in small industrial and commercial developments. A modification of this proposal could target this initiative to the small urban municipalities in hard-hit rural areas. I am sure that would have a very positive effect.

An alternative incentive would be a policy that offered to share, within reasonable limitations, the cost of capital construction for new commercial and industrial facilities in targeted areas.

3:40 p.m.

Both alternatives have been used in other times and jurisdictions with very effective results. Of course, loans with relatively attractive terms to assist and encourage industrial development are already available through the Ontario Development Corp. This program, or some modification thereof, used in conjunction with one or both of

the previously mentioned options, would have some very dramatic results, which would go a long way towards helping rural Ontario retain its social fabric and cultural heritage.

In no way should any attempt to stimulate industrial and commercial development in rural Ontario jeopardize our valuable food land resources. Any measure that had such an effect could not be viewed as beneficial in the long term.

There is absolutely no reason why such an effect should occur. Across the rural counties and regions of this province, there are literally hundreds of small urban centres that would welcome such development. In those centres, there is a very substantial land base that is already designated for urban development and where new industrial and commercial establishments could locate without reducing our inventory of prime agricultural land.

I believe these options are practical examples of ways to address the crisis that confronts us. I want to respectfully solicit the support of the members of this Legislature for this resolution, and I will reserve the few minutes I have left to conclude the debate.

Mr. McLean: I am pleased to join in this debate, and I support the ballot item of the member for Middlesex (Mr. Reycraft).

Many of the farm families in my riding of Simcoe East are also suffering financial hardship. We know farm prices at the gate are considerably lower than when the same product arrives at the supermarket checkout. Somewhere along the line, profits are being made. I wholeheartedly endorse the free enterprise, profit system, but I want to see the farmers—the producers—get some of that profit. For this to happen, we need some action from the provincial government.

The Minister of Industry, Trade and Technology (Mr. O'Neil) should also show an initiative to encourage the growth of manufacturing and industrial investment in rural areas. Of course, this would apply to areas with a population of less than 50,000.

The reason I have indicated that population figure is that last year I had a ballot item—it was before the House but was not debated—which was much along the same lines, although it was directed more towards industrial promotion through which municipalities would have incentives for industry to locate in smaller areas across the province. It was much the same as the honourable member has indicated in his resolu-

tion; that is, to try to decentralize and get them in rural areas.

There are areas in the riding of Simcoe East where this would fit in. There is a real need for this type of activity. The days of 100-acre farms operated by one man and his family appear to be long gone, but through sheer tenacity, industry and a very powerful desire to remain in the country, people still want to raise their families there. These are resourceful people who have education and skills and who want to contribute to society but have been outrun in the agricultural industry by technology. In this case, technology has not resulted in fewer jobs but in better productivity. As a result, the small farm operation is not feasible. The financial burden is such that not every small farmer can afford to expand his land holdings and thereby use modern technology to its fullest.

I remind members that I am not advocating paving over farm land. We are already losing too much good agricultural land to expanding housing developments in the suburban areas. We do, however, have areas that are suitable for little else except environmentally acceptable industry and commerce. These are selected sites that could be built on wasteland or former landfill sites. They might also be constructed in connection with existing sites.

This type of construction could take place and would fully utilize the land we have. Much of it is owned by municipalities and would provide a useful tax base, employment opportunities and an opportunity to enjoy country living and employment, the best of both worlds. It would have the added benefit of cutting down on overcrowding in major commercial centres such as Toronto, and it would lead to fuel conservation.

We have entrepreneurs in my riding of Simcoe East, and I feel we should do whatever we can to present them with opportunities. This is one positive method of diversifying the local economy. A reduction in transportation costs would provide lower food costs for the outlying areas. We have entrepreneurs working at various enterprises in Simcoe East. Many of them are working only because they have battled city hall to prove they can stay and accommodate zoning bylaws under the "existing use" clause.

I would like to see the provincial government answer the urgent cry for development of self-reliant enterprise. I understand the government is considering a program similar to the previous Board of Industrial Leadership and

Development program, which was a tremendous program for small rural municipalities.

Why is the government disbanding a program that is working and replacing it with something similar that may cloud and confuse the issue? In Simcoe East, people were just getting to know where to apply under the BILD program. Many of them came to me and asked for information. Now they will be obliged to apply under a different program. They know they can depend on their member of the Legislature for Simcoe East; they always could and they always will.

Mr. Breagh: Whoever that is.

Mr. McLean: I knew I would get a response from the member for Oshawa.

An old adage comes into play here: "If it is working, don't fix it; leave it alone." Whatever program the government comes up with in this regard, let us make certain it is circulated widely and publicly. Let us make certain those who have an application in progress are informed there is a change and that a new program will be in place.

As the member for Simcoe East, I am willing to notify the applicants and help them to locate in the rural area. We have a positive approach in our municipality under the federal local employment assistance and development program. I do not want to see a duplication of service. There is room for additional programs. When the Ministry of Industry, Trade and Technology gives such programs its consideration, it can be assured of full co-operation from this member and from the people of my riding.

I urge the government today to give this matter urgent consideration. We do have a potential crisis and I would like to see it avoided. It is a problem today, and problems left to fester tend to become crises. I feel, as does the member for Middlesex, that the fabric of our rural communities must be preserved.

3:50 p.m.

During the budget speech, there was one thing that stuck in my mind about the gasoline tax. Many farmers in this province have commercial vehicles they use for hauling grain and feed, going to get parts and for everyday use in their farming operations. Yet they pay tax on the gasoline they use for that purpose.

I hope the government will consider taking the tax off commercial vehicles owned by farmers regardless of whether they have licences. I certainly agree they should pay the same as anybody else for the vehicles they own, but when I look at my own farm operation, my son is on the road every day with the larger truck or the smaller truck, all to do with his farming operation. When

one considers that over the year a large tax is being paid related directly to the operation of his farm, I think the government should take a second look at that and perhaps bring in an amendment to the legislation to exempt these farmers from the tax.

I am thankful for the opportunity to support this resolution. I wish we had more farmers in the House than we have, but I think we have had a very good proportion in the past eight or 10 years compared to what used to be. I believe this resolution is worthy of everyone's support.

Mr. Ramsay: It is an honour and a privilege to stand here today and speak to this motion. I support this motion. It is something I feel very deeply about as I am a farmer. I represent farmers in the riding where I live. I feel the hurt that is going on in the rural community myself, and I feel it for others whom I represent throughout this province as agricultural critic for the New Democratic Party in this Legislature.

Today, I want to take a different tack from that taken by the previous speakers. The fullness of the meaning of this motion struck me when I read it, and I felt I wanted to bring to the attention of the House the importance of agricultural activity to our civilization. It is the story of our civilization. In fact, I would go so far as to say it is civilization itself.

Until we developed the ability to farm, we as human beings were basically nomadic people. To sustain ourselves, we had to hunt and forage. When we did farm, it was the start of the world as we know it today. Our world was built by men and women who were resourceful and independent, driven by a desire to develop their farms and to prosper by the work of their hands. That is a very important ethic we are in danger of losing today.

The family shared in this work of the farm, in its joys and sorrows and in its triumphs and disasters. The unity of family life and a sense of common purpose are difficult to maintain in urban Ontario today. Rural Ontario represents the last bastion of those family values. We must do everything we can to protect that.

This way of life was the foundation of our province and was the key to our prosperity in the past. However, as I travel through the countryside and the back roads of this province, I see evidence of a decline of this once great civilization and proud heritage. There are more and more abandoned farms and barns throughout our countryside than one would dare admit.

As one travels through the country, the red brick houses we see in eastern Ontario, the

yellow brick houses of central and southwestern Ontario and the clapboard homes of the first farmers who went up to the north appear as ghosts through the early morning haze. They are symbols of the malaise that has struck our countryside and our province as a whole. We are seeing the striking down of a great agricultural tradition in our province.

How did we get into this mess? How are we here today? Why are we having to address this problem? The mistake we made was in the promotion of efficiency at the expense of community values. At the risk of being accused of being a Luddite, let me say our love affair with technology is partly to blame for our dilemma.

Agriculture is undergoing a revolution. It has evolved from a feudal state to an industrial type of agriculture to the cybernated food production of today, with the use of computers, remote control cultivators, television monitors, sensors and data banks. All these now can be automatically run and used to run—I would like the members to notice I use the word “run” and not “farm.” That is what we are losing today. We are running thousands of acres of tillable soil as farms. If this pace continues, we will be left a few years down the road with telefarm operators who will be able to feed millions of people. Where is the family farm going to go?

If we remove human values from the production end, how are we going to preserve human values at the consumption end? We should be striving for a sustainable, rather than a merely profitable, agricultural system. We should replace the short-term goals of productivity and competitiveness with such values as fair economic return for farmers, the resurgence of the family farm, soil conservation and the strengthening of our rural communities. We should also make sure we have a secure food supply for the future of this province and our country.

We must start to rationalize our food distribution system. We must serve local markets; we can start with that. I find it quite incredible to see the food distribution system in relation to the north. We send truck after truck of beef and pork on the hoof to the stockyards in Toronto. It goes to the many processing plants, whether in Toronto or Kitchener. Because the chain-store operations have control of the food distribution system today, that food is carted right back up Highway 11 again. We could be doing our own processing and distribution for our local area, because in the north we provide much of the food we need. We are very self-sufficient in meat and milk production. We have to look at some of

these overall rationalizations of how we distribute and grow food. I think we have been going down the wrong track.

We have to accelerate our import replacement program. We talk much about free trade and balance of payments when we talk about trade, but there is one area, the rural life of Ontario, where we could accomplish something for the economy by working at trying to replace much of the food we import.

Those would be some of the first steps towards a sustainable agriculture.

To develop an agricultural policy for the future, I wish we could send the Deputy Minister of Agriculture and Food and the assistant deputy ministers into the fields and pastures of our land and have them question the farmers, the farm workers and our rural people so they would understand the quality of rural life. If we could only give them the time to take up and farm a piece of land themselves, they could learn from experience by being in direct contact with the soil.

The care and nurturing of our rural community is a most worthy responsibility. To cherish what remains of it and to foster its renewal is our only legitimate hope.

4 p.m.

Mr. Morin: I wish to speak in support of this resolution, not only because my own riding of Carleton East has a large rural component but also because I too come from a rural background and have many friends in the agricultural community.

I use the word "community" on purpose. If ever there has been a segment of our society that has had a real and strong sense of community, it is the rural population. Although one's closest neighbour in the countryside may be a kilometre or more down the road, he or she is often closer in spirit than the person who lives in the next apartment in a metropolitan high-rise.

Farmers share a long and noble tradition, second only to the explorers and fur traders, in opening up this country. It was the farmers who stayed and settled the land while others moved on. Not only did they provide a stable economic base for the establishment of permanent settlements, but their labours also helped to feed the nonfarming residents who followed them. In effect, the development of the rural communities formed the building blocks for Ontario as we know it today. They gave us the work ethic and moral values while stocking our larders.

The nature of Ontario society has changed since those early days. The emphasis has shifted

from the land to urban industrial and commercial pursuits. Since 1951 the relative size of Ontario's rural population has decreased from more than one quarter to less than one fifth of the provincial total. At the same time, however, farmers have faithfully continued to discharge their responsibility as full providers despite the mounting pressures on them.

Ontario's degree of agricultural self-sufficiency has declined over time. By 1950 the province had become a net importer of agricultural products. In the 1980s, agricultural self-sufficiency has dropped to between 75 and 80 per cent. This gives rise to a concern that, if this trend continues, agricultural production in Ontario may not keep up with population growth in the long term.

The distinct and unique culture of rural Ontario is at risk today. The causes of this state of affairs are many: years of government neglect, a drop in net farm income as a result of rising production costs, high interest rates and downward pressure on consumer prices. Furthermore, let us not forget the increasing attraction of stable, well-paying jobs in the city.

The economic problems have had a negative impact on rural communities as a whole. As their future on the farm appears bleaker, farmers and their children are abandoning the rural lifestyle. Nuclear family structures which were once the backbone of agricultural production are breaking up. Like the rest of the country, the rural population is getting older, but with the exodus of the youth to the cities, the problem is aggravated in the smaller rural communities which find themselves with a declining base from which to provide support to their older residents.

There is dropping enrolment in elementary schools and fewer children remain in the community to carry on the family farm. Thus, farm ownership more frequently passes out of family hands, sometimes becoming part of a larger corporate operation and thereby producing a rather faceless society where there once was a closely knit community.

It may well be that fewer, larger farms are more efficient. It may well be that agricultural self-sufficiency is an unrealistic objective. It may well be that rural youth would be attracted to the bright lights of the city in any event. The point is that we are not talking about economics alone. We are talking about a way of life, about the preservation of communities and their values.

The social aspects are equally important, if not more important, to those young people who want to stay on the farm to carry on the family

tradition. This resolution proposes to preserve the rural communities by providing them with economic stability. The idea is to use incentives to encourage the development of new commercial and industrial ventures related to current activities, and established on nonagricultural land in certain rural communities.

In this way, the residents would be offered an alternative they do not often have now, to stay in their own community and still be able to earn a stable and fair income. Whether the individual will choose to do this on a full-time basis or as a part-time supplement to farm income would be up to him or her, but at least there would be a choice which currently does not exist in many farming communities.

We owe much to the farmers of this province. This is one way in which we can recognize their essential place in our heritage and in our present social fabric and in a small way repay that debt. In so doing, we will preserve our own roots rather than let them wither through neglect and blow away in the winds of change.

Cette assemblée a une obligation morale d'aider nos cultivateurs à demeurer sur leurs fermes. Nous devons nous assurer que toutes les mesures possibles seront considérées afin de corriger ce problème social. Je crois de tout coeur que la résolution proposée par le député de Middlesex (M. Reycraft) nous offre l'opportunité d'aider cette partie de la population dont le rôle est essentiel au bien-être de toute la société.

It is for those reasons that I support the resolution of my colleague.

Mr. J. M. Johnson: I completely support the principle of the resolution by the member for Middlesex and I intend to vote in favour of it. I intend to introduce a similar resolution—as a matter of fact, I introduced it today—which outlines some of the concerns I have for the rural parts of our province.

I would like to take the resolution to its full extent. The member mentioned in the resolution that he wished to see supplements to traditional farm family incomes as well as to maintain and preserve the social fabric of our rural communities. Having operated a business in a small town for many years and having worked with farmers, I know from experience that we in rural Ontario are all in the same boat. Each of us is dependent on the other. When we talk about rural Ontario, I hope we also talk about the hamlets, the towns and the villages, because they, too, prosper or suffer as the farming community prospers or suffers. So we are talking about the total rural aspect.

Having said that, I would like to think when we talk about the social fabric of the villages, the hamlets and the farming community we are talking about the churches, the arenas, the stores, the professional people—every aspect of family life that joins us together.

We can relate back to the turn of the century, when the small towns were developed. At that time they served even more as service centres for the communities. They served the farming communities and were built for that reason. The mills, factories and industries were established and the stores, professional people, doctors and lawyers were there to serve the customers, many of them farmers. The schools, churches, libraries, hospitals and arenas were all established on the basis of the population of the communities and to provide services to farm families.

So the social fabric was woven into the communities in those days at the turn of the century, and for 20 or 30 years after that the villages and towns seemed to grow. Then they started to stabilize, and that is pretty well where they are today unless they have had some industrial growth.

With the agricultural sector starting to feel the financial pinch, the farms have to get larger. There are fewer farm families, and now we are faced with declining enrolment in our schools. Our communities are having difficulty keeping their various activities operating, and merchants are forced to close their business establishments, so the pressure is compounded. It is not only on the farming community, the farmers per se, but also on all the service industries that serve the farmers.

4:10 p.m.

Therefore, we have a double reason for supporting a resolution such as this. It is not only to enhance family incomes but, indeed, to preserve the social fabric of the entire rural area of this province.

The member for Middlesex has suggested that the government of Ontario should recognize the need to encourage various long-term strategies to enhance the financial viability of our farmers and rural communities. This is commendable, but now we have to decide what we can do. I would like to add a few of my suggestions to those that have been expressed by the other members.

1. We could have industrial expansion into rural Ontario, and not on good agricultural land. There is a lot of land that would not have to be taken out of production.

2. We could have additional promotion and expansion of the farm, vacation program.

3. Homes for the aged, nursing homes and certain types of hospitals and health care facilities could be established in rural Ontario.

4. We could have the decentralization of government offices into rural Ontario.

I would like to deal with each of these as time permits, and I will go in reverse order.

There is no reason some of the departments of the ministries could not function just as well out of locations in rural Ontario. There is no reason they have to be in downtown Toronto or in some of the larger communities. Many of them could be in our smaller communities and provide employment for small-town and rural people.

With regard to health care facilities, I will use an example in my own riding. There is a home for the aged, Dufferin Oaks, that employs 160 people. Many of the people live on and operate their own farms, and yet it gives them employment. It is a beautiful home. Most people would prefer to live in the country if they had a choice. I am sure most of the members here would agree with that. They have clean air; fresh, clear water; no pollution; no noise and lovely views. It is close to heaven.

Next is the farm vacation program, and this is one I have been promoting for 10 years. At the present time we have a pamphlet that lists 85 farm homes involved in the program. Prince Edward Island, a province that is a fraction of the size of ours, has more homes involved. In England they have booklets listing thousands of farm vacation homes. We have not even scratched the surface of a program that could substantially assist in providing extra revenue for the rural areas of this province.

I spoke to one of the home operators today. She told me that six is the maximum number of people they can handle, but it is an extremely important part of their operation because it helps them with the financial problems they are encountering.

I made a proposal many years ago to the then Minister of Correctional Services to see if prefabricated small cottages could be built and leased to farmers. The farmers who were interested in staying in the business could then do so; the others could simply ask to have the cottages removed and they would be back in farming. When times are tough in agriculture, it would be a benefit to them; when times improve, they could get back to full-time farming operations. Many would like to stay there.

Tourism is one of the largest industries we have in this country and in this province, and there is no reason we could not take advantage of

the farm vacation program to enhance the viability of our farming community.

The present Minister of Tourism and Recreation (Mr. Eakins) is one of the most active supporters of this program. The one difficulty we have with the government is that the program is implemented under the Ministry of Agriculture and Food. I believe the Minister of Agriculture and Food (Mr. Riddell) should definitely be involved in the program, but I feel that the thrust should come from the Ministry of Tourism and Recreation. I would appreciate it if the member for Middlesex (Mr. Reycraft) would talk to the Minister of Tourism and Recreation to see if he could become more active in this program.

I mentioned that it is one of my pet projects. I intend to pursue it. I feel, with only 85 homes in this province participating, that we could have 10 times that number.

Since I have only a minute, I can touch on one last point. It is with regard to industrial expansion into rural Ontario and, as I mentioned, not into good farm land. If the expansion is in the small towns adjacent to the farming community, many of the farmers, when severely pressed, could work part-time or even full-time in the industry if they did not have to lose a lot of time travelling back and forth to work. This would help to supplement their income; and when times changed, they could then get back into the full-time operation. They would have a choice; they would not have to leave the farm.

If there was that employment opportunity they could live on the farm and still operate it, plus make extra money. This would especially help the younger farmers just getting started and the extremely large farm families. With many young men on the farms there is no way they could all stay on the farm, but they could live on the farm and work in industries and contribute to the financial benefits of the farm family.

Mr. Hayes: The resolution states there is a financial crisis currently being experienced by family farm operations. This is very true. At first glance, one would consider the resolution more of a motherhood resolution. However, I am not convinced the development of commercial or industrial business is really the answer for preserving the family farm.

We hear all kinds of talk about preserving the family farm. Even the Minister of Agriculture and Food points out in his estimates presentation that he has accepted as some of his options, "To preserve the agricultural land base and to improve its productive potential; to support rural organizations, enhance the quality of rural life

and develop future leaders; to enhance the knowledge and skills of people working in agriculture, and encourage sound business management and application of modern technology; and to reduce the risk factors and income fluctuations that are inherent in agricultural production."

In my riding and throughout Ontario, many family farms have disappeared. There are three main reasons this has happened: (1) the high interest rates farmers have been faced with over the past few years; (2) the farmer has not received a fair price for his or her labour and commodities; and (3) the federal Liberals in the past, and also the past provincial Tories, have turned a blind eye to the needs of the people who earn—and I point out earn—their living from agriculture.

In reality, what has happened is a drop in real net farm income to the levels of 15 years ago. There is a staggering increase in input costs, particularly for machinery, pesticides, fertilizers and debt servicing, and a growing necessity to supplement farm income with off-farm employment. Too many farmers now have to rely on off-farm jobs to supplement their farms just to hold on to what they have.

4:20 p.m.

If the government is really serious about preserving the family farm, it should support the farmers by helping them get a fair share of the consumer food dollar by stopping the monopoly pricing practices of the giant corporations with their ever-greater control of the processing, distribution and retail industries.

I believe the provincial government has a responsibility to help ensure the continued viability of the family farm. That responsibility must include the assurance that farmers receive a fair share of the consumer dollar and a just return on their labour. It must include a provision of long-term, low-interest agricultural credit. It must include strong policies for the protection of Ontario's farm land resources. That responsibility must include the financial resources to back up the promises and fancy rhetoric. In other words, the provincial budget for agriculture must be substantially increased.

I feel that if this resolution is passed, what we are saying is that the demise of family agriculture in Ontario is a fact of life. I do not believe it has to be a fact of life. I believe the government of Ontario should encourage long-term strategies for new commercial and industrial ventures in the rural communities, perhaps as secondary industries, but not to replace family farms.

In my riding, one canning factory has now closed and gone out of business, and I understand another is not far behind. One reason is the influx of imports. Let us work together towards protecting the farm industries that exist now. If farmers received a fair price for their labours and commodities, it would help the whole economy and preserve the family farm.

I am pleased to see that the Minister of Agriculture and Food has increased the Agriculture and Food budget. What I really question is, why increase the budget for agriculture and at the same time allow the decrease of family farms to continue? Instead of alternatives, what we need is effective policies and programs aimed at strengthening Ontario's agriculture and food sector.

Mr. G. I. Miller: It is a great privilege to rise today and participate in the debate on private member's motion 12, brought in by the member for Middlesex. I believe it is the first resolution or private member's bill that has been brought in under the new government of Ontario. I think it points out the importance of the rural community and rural Ontario to the overall economy of our great province of Ontario and of Canada.

I would like to point out, too, Mr. Acting Speaker, that Del O'Brien who has been a great spokesman for agriculture for many years—perhaps you will recognize that name because he comes from your part of Ontario—has always indicated that agriculture is the engine that makes the economy work, and that when agriculture gets into trouble we all feel it. I really believe that. Many speakers on all sides of the House have indicated today that they support the resolution and that, in their view, they have some remedies they feel might be useful.

With a minority government, I believe that role can move forward. As parliamentary assistant to the Minister of Agriculture and Food, I can say we will be listening for alternatives that can strengthen our rural community and the agriculture industry in general.

It has been a concern of mine since I was elected in 1975. As a former farmer who made his total life on a mixed farm, I understand the hard work and dedication it takes to be successful at farming and the sacrifices one has to make. As the members speak here today, I become confident that maybe now we can bring in some new plans, a new direction, which will help keep those family farms alive.

In my opinion, there is no better place to raise a family and give children the basic training that prepares them for any walk of life. A young

person from a farm may find working in many other jobs a treat and considerably easier because of the regular hours of work and pension plans which give protection as one grows older. I would like to see that come about in the agricultural industry. There has been a trend towards larger farms, bigger units. It is not going to be easy to turn it around. We can use more young people in that area of our economy. It takes youth and strength to till those fields and put in the long hours necessary at planting and harvest times. One has to understand the industry, but it can be so rewarding.

I do not want to go too far into the past, but I would make the point that on October 22, 1981, I introduced a private member's bill which would have given assistance to the farming community. There had been a task force which was brought together by the government of the day to go around Ontario and investigate the needs of farmers and the reasons financial problems were devastating the agricultural industry. The reports came back, and I do not believe those recommendations have been put in place yet.

In 1984, we brought in a resolution to bring the interest rate down to eight per cent. Finally, with the change of the government on June 26, we were able to bring that into effect. On a one-year basis—

Mr. Stevenson: It was at the cost of many other existing programs in the Ministry of Agriculture and Food that this government brought that into existence.

Mr. G. I. Miller: I want to complete this and indicate—

Mr. Stevenson: This government cannot expect to do it with so many millions in promises and another \$20 million in new money to come.

Mr. G. I. Miller: For the member, the former minister, I would like to indicate we are putting in \$50 million under the Ontario family farm interest rate reduction program, which will reduce the interest on long-term farm debts.

Mr. Stevenson: Where will the money come from?

Mr. G. I. Miller: From exactly the same place that one gets it for any other provincial program. The Treasurer provides it.

There will be \$50 million put into the program to bring the interest rate down to eight per cent for a maximum of seven percentage points. As we have indicated, that should help up to 10,000 farmers. That is a significant improvement over the programs of the former government, which, under the Ontario farm adjustment assistance

program, assisted roughly 1,200 people. Many people in Ontario never even bothered to make an application for that, it was so complicated.

Mr. Stevenson: Look at your own.

Mr. G. I. Miller: The member will have an opportunity to speak, if he wants to refute it. I have five minutes yet.

4:30 p.m.

We have brought up to \$50 million into this program on a short-term basis. The Minister of Agriculture and Food has also brought in the tripartite system and moved ahead with that so it will give some stabilization to the red meat sector. We are also looking at programs to give a better return on corn, soybeans and the cash crop areas. The stabilization program could well trigger getting better returns for those products.

Many members, if they are farmers, know what the price of corn is today. It is \$2.60 wet. It has to be dried, which costs up to 30 cents a bushel, and it has to be trucked. That is going to mean little more than \$2 for corn. If those are not depressed prices, I do not know what is. If the member does not understand that, he does not know very much about agriculture. Gas is now 42.6 cents a litre. We used to buy gas at 25 cents a gallon, which is 4.5 litres, and we were getting \$2 for our corn at that time.

I do not think the member can really understand why the agricultural industry is in trouble. The cost of production has increased. Everybody gets a four or five per cent increase, sometimes up to 10 per cent a year, but the farmer's products come in at lower and lower prices. There is no way they can balance the scales. The resolution is focusing attention on the real concerns, because when the farmer is in trouble rural municipalities will not grow.

We do have other alternatives, as the member for Wellington-Dufferin-Peel (Mr. J. M. Johnson) indicated. Senior citizen accommodation is needed in rural Ontario. It does provide employment and it also provides a strength to the municipality, because we have a place for our old folks. We are all going to get to that point sooner or later and it is always nice to know one can stay in one's own community.

Industrial parks in the area of Haldimand-Norfolk have been set aside. Only a fraction of those areas have been utilized. We have an industrial park set up by Stelco with room enough to handle the new Toyota plant. With the basic steel requirements and the basic services in place, that could provide a lot of work for rural Ontario. It could grow and protect the rural atmosphere and provide jobs too. I hope Toyota

gives that a lot of consideration because it would be a great place to locate.

I want to emphasize one more time that the resolution is good. It is good to have input from all sides of the House. We have a minority government and we will be listening for that input to strengthen rural Ontario.

The Acting Speaker (Mr. Morin): I would like to remind the member for Oxford there are two minutes left.

Mr. Treleven: Yes, two minutes. I will move along.

First, I would like to state that I wish to support the resolution. I am particularly pleased to speak on it since the member who proposed the resolution and I have very similar ridings, primarily dairy. Perhaps the main difference is that I have more tobacco along the south edge of my riding and the county than perhaps does the county of Middlesex.

This resolution is about the family farm. I remember being at a hog producers' meeting at which Clay Switzer spoke. He brought up statistics of off-farm income of farmers. Quite frankly, I and the others in the room were quite shocked at the numbers. In the affluent agricultural counties of Perth, Oxford and Middlesex, 70 or 80 per cent of the farmers had off-farm income. If the government will pay attention to the member's resolution and come forward with some of those programs, it will be a great boon to our constituents and to these farmers who are in the process of having to leave the family farm.

In my riding, we have particular problems in the tobacco industry. This type of resolution, increasing the number of commercial and industrial ventures in the rural areas, would greatly help.

I might say the previous government had the Board of Industrial Leadership and Development program and the enterprise Ontario program, which did not come about because of the fall of the government. The present government has not brought along programs to replace those. If they would help the shoulder season and help the farm income situation, things would be greatly improved in our situation.

Mr. Reyecraft: I want to thank the members of the House for their participation in the debate and their many helpful suggestions, but most particularly for their expressed concern and recognition of the gravity of the situation that faces Ontario's rural citizens. They are proud citizens and they personify the very virtues that made our province and our country great, things such as diligence and dignity; love of God, neighbour and family;

respect for the laws of nature and the laws of government; and an independence of spirit that has made them and our country free and strong.

They are bold people and they are proud. It is not easy for them to ask for help. When they do, we should know darned well the situation must be desperate, and it is desperate. There is no other way to put it. We cannot allow Ontario's farmers to be pushed around by the actions of other provinces. We cannot allow our farmers to be left twisting in the wind because of the inaction of the federal government.

Ontario leads all the other provinces in agricultural production. Ontario must lead the way in the struggle to protect and revitalize the agricultural community. The main objective of Ontario agricultural policy must be to preserve the family farm. If the family farm is kept healthy, the agricultural industry itself is healthy and the province as well. We cannot afford to do nothing. We cannot even afford to wait much longer.

Not only an economic crisis confronts us, but a profound social, cultural and moral upheaval that is rocking the very foundations of our rural communities. A way of life is being threatened, a way of life that embodies the principles and the virtues that define who we are as a people and what we stand for. Our farmers, our rural citizens, have given us much over many years and now they need our help. It is only just that we give it. Let us join the agricultural community in its efforts to save the family farm and the way of life it has come to symbolize.

To keep the ball rolling and to make sure that rhetoric is translated into action, I will forward the transcript of this debate to the interministerial task force the Minister of Agriculture and Food has assembled, and I will make myself available to its members to help in any way I can.

WINE PRICING

Mr. Partington moved, seconded by Mr. Andrewes, resolution 13:

That in the opinion of this House, recognizing the growing difficulties experienced by Ontario wine producers due to falling market shares and unfair trading actions by foreign governments, the government of Ontario should accept and implement the proposals of the Wine Council of Ontario regarding a revised pricing structure for wines sold in Ontario as contained within their document, the Niagara accord. Specifically, the government should: increase the nondiscriminatory reference price by seven per cent; reduce markup rates; reduce the special winery retail

store tax to one per cent; impose a flat tax rate of \$12 per case of twelve 750-millilitre bottles to be added after markup changes; and review the flat tax rate annually.

4:40 p.m.

Mr. Partington: I am honoured to have the opportunity to put forth this resolution to the House and I am equally honoured to be given the opportunity to lead off this debate. As a new member, I have been looking forward to participating in private members' business. I am hopeful that the timing of this resolution and its importance to the grape and wine industry may result in unusual attention being given to today's proceedings, especially by members opposite.

The economic health and viability of Ontario wine producers and grape growers is of great concern to me, a concern that is shared by all members. It is important that the serious difficulties of the industry, as outlined by the Wine Council of Ontario, be recognized, especially in the light of the further assault on the wine industry set out in last Thursday's budget.

Last October, when the Liberals were in opposition, the member for St. Catharines (Mr. Bradley) demanded that the government institute recommendations which were similar to those before the House today. He said, "It is important to act immediately instead of waiting for yet another of the task force reports."

The proposals of the Wine Council of Ontario, similar to those endorsed by the member for St. Catharines, were brought to the attention of the Premier (Mr. Peterson) as soon as he was appointed in June. If the member for St. Catharines and the Premier are not to be regarded as having turned their backs on Niagara's farmers, they had best introduce themselves to the Treasurer (Mr. Nixon), because he does not understand the industry or the impact of his ill-considered tax increases on wine.

It is apparent that the Liberals are really big on promises but rather short on following through. They have backed away from so many of their promises that it is impossible to know where they stand on many issues. On this issue, however, they have declared themselves and will now have to defend their ill-considered conduct. It is to be hoped that by the end of the day, the Liberals will have seen the light and will tangibly demonstrate their concern for the survival of Ontario's grape and wine industry.

Some members may not be aware of the important contribution this industry makes to our economy. In Ontario, we have 900 vineyards with close to 24,000 acres in production. The

grape-growing industry provides 16,000 full-time and seasonal jobs. Ontario wineries employ more than 900 people and last year generated close to \$200 million worth of sales.

In addition to being a vital part of our economy, the wine industry has been an integral part of Ontario life for more than a century. Throughout the years, the industry has grown and adapted to accommodate the tastes of each new generation. Today, we can all be proud of the accomplishments of this industry. For several years, the industry has produced world-class wines, with many of the wines winning awards around the globe.

Many of the members are aware of the extreme difficulties now facing Ontario's wine producers and grape growers. Since 1983, Ontario wineries have witnessed a drop in market share from more than 54 per cent to less than 49 per cent this year. In real terms, this represents a loss in sales of nearly 400,000 cases of wine. This is equivalent to the entire 1984 production of 10 of Ontario's 17 wineries.

This, in combination with bumper grape harvests in both 1983 and 1984, has resulted in depressed prices for grapes and an overall surplus in grape production. In 1984, the surplus amounted to more than 30,000 tons. The total cost to the taxpayer for this surplus was estimated to exceed \$14 million. For the grape grower, this translated into prices averaging six per cent below those obtained in 1983. This year, prices have fallen by yet another four per cent.

The government must realize that if these trends are allowed to continue there will be severe consequences for our domestic grape and wine industries. The cause of this comparative decline during a period of steady demand is well known. The cost of imported wine is continuing to decline in large part because of huge and pervasive foreign government subsidies and dumping practices that are apparently uncontrollable under the regulations of the General Agreement on Tariffs and Trade.

I do not pretend the provincial government, especially the current provincial government, can influence all the factors affecting the grape and wine industry, but it must be sure not to add to its troubles.

Over the years, the Ontario government, under the leadership of the Progressive Conservative Party, has demonstrated its commitment to this industry. As the government, we instituted a number of initiatives designed to protect and promote the growth of our domestic grape and wine industry.

When foreign jurisdictions complained that the handling charge of 65 cents per 750-millilitre bottle on imported wine was in violation of GATT, the Progressive Conservative government acted to establish a minimum price for all wines. This was expected to give the domestic industry a boost in the face of booming sales of cheap, subsidized wines, imported particularly from Italy. There was a fear that if this trend were allowed to continue, Ontario would become nothing more than a dumping ground for cheap products from foreign jurisdictions.

The establishment of a reference floor price was successful in stemming the inflow of artificially low-priced Italian wines. However, with the subsequent devaluation of the French franc by 17.2 per cent, it became apparent that the entire pricing system and the various assistance programs needed to be overhauled to ensure the industry would survive.

For this reason, the Progressive Conservative government established two separate task forces to examine and develop programs that would address both the short-term and long-term problems facing the industry. Unfortunately, the events of the past year prevented us from seeing these initiatives through to completion. It now appears the Liberals propose to exacerbate an already critical situation.

As the new member for Brock riding, I feel compelled to present this resolution. Six of the 17 Ontario wineries are located in Brock riding. Of those, we have represented the oldest and the newest wineries in Ontario, one of the largest and several smaller, prestigious ones. Furthermore, 40 per cent of the 24,000 acres of land in Ontario producing grapes, the single most valuable food processing crop, is in Brock riding. Most of the grape crop goes directly into wine production. If we are interested in preserving fruit lands, we must ensure that the grape industry remains vibrant and productive. There is no realistic land-use substitute for grape farming or vineyards.

The grape industry provides essential employment in an area of high unemployment. Related industries in Brock riding—for example, trucking and spray and equipment dealers—also depend on the viability of the grape and wine industry. The grape growers have spent millions of dollars converting existing vineyards to the newer hybrid and vinifera grape varieties. Now the industry is facing rapidly escalating costs in interest rates, labour, sprays, fuels, equipment and every other aspect of its operation.

We all must recognize that for the grape growers to sell their crops, it is essential for wineries to sell their wines. Consequently, I have proposed this resolution to urge the present government to implement what I believe is a reasonable and sound program which will alleviate the crisis currently faced by Ontario's wineries and grape growers.

The proposal, as outlined by the Wine Council of Ontario, calls for a restructuring of the current wine pricing system in Ontario. I might add that all 17 Ontario wineries are members of the council and all support the proposal.

4:50 p.m.

The council has made five main recommendations to alter the current pricing system in Ontario. Under the first, the reference price for wine, which was established in 1983, would be increased by seven per cent. This represents the amount of increase in the consumer price index between July 30, 1983, and April 30, 1985. As a result, the new minimum delivered price per case of 12 one-litre bottles, prior to the imposition of federal excise and sales tax, would rise to \$19.90.

The second recommendation calls for the reduction of markup rates across the board by 57 per cent. This will maintain the established price differential between foreign and domestic wines, yet permit the price of most wines to fall.

The third proposal recommends that a flat tax rate of \$12 per case of twelve 750-millilitre bottles be added to all wines after the new markup rates have been applied. It is recommended that this tax be reviewed annually.

The fourth proposal is for the reduction of the special winery retail store tax from five per cent to one per cent. The wineries would maintain the current markup and flat tax rates on sales through winery retail stores.

Finally, it is recommended that the 12 per cent Ontario retail tax be retained.

The net effect of implementing these recommendations will be a reduction in price for all Ontario wines and a reduction in price for all imported wines currently valued above \$4.60 per 750-millilitre bottle.

The effect of this price reduction will be most notable for the more expensive wines. For example, a bottle of Mumm champagne, which currently retails for \$19.65, will retail for \$15.75 under the new pricing system. Similarly, a bottle of Estate Riesling by Chateau Des Charmes will drop from \$9.40 to \$7.15.

Most notably, however, these recommendations will provide a price difference of \$1 per litre

between the lowest-priced imported wines and Ontario products in favour of Ontario wine. It is expected this new pricing system will assist both large and small wineries and permit the industry to return to a more positive position in the marketplace.

While implementation of these recommendations will not eliminate the current surplus of grapes, it should translate into increased purchases of Ontario grapes by wineries as they plan for greater sales. Additionally, the wine council has assured me that this proposal, when presented to the American wine industry in 1984, was endorsed enthusiastically. Furthermore, it is in full accordance with our international GATT obligations.

As I pointed out earlier, the Premier was made aware of these proposals as early as June 1985. Nevertheless, he has apparently endorsed the suggestion of a flat tax increase of 10 cents a bottle. He should recognize that the European Community producers may just land their wine in Ontario at 10 cents a bottle cheaper, a subsidized luxury that Ontario farmers and wineries cannot afford.

In summary, I believe the wine council proposal will provide the industry with the assistance it needs to remain a viable and integral part of Ontario's economy. I look forward to hearing the comments of my colleagues on this resolution. I am sure they have information to share with us which will be pertinent to this issue and which will contribute positively to this debate.

Mr. Swart: I am pleased to rise to speak on this issue and to indicate immediately that I am going to support the resolution brought before us by the member for Brock.

Anyone who is at all familiar with agriculture knows the rather desperate situation that agriculture in general is in. The grape farmers, who up until the past two or three years have escaped to some extent the serious situation in the farm community, may now be facing the bleakest future of all our agriculture producers.

They face that situation because of the lowering share of the market that Ontario wines command. They are in that position because of the lower prices grape growers are receiving for their product and because of the tremendous surpluses that took place last year and this year, largely because of the lower consumption and because of the competition from the subsidized foreign imports.

It is probably safe to say that the government, with elections behind us—whether federal or

provincial—and with the restraint program, will not continue to make those purchases. If it does not, the grape growers and the wineries will be in a much more serious position than they are at present.

We should deal with this issue now. It cannot be delayed. I would have liked to have spoken on the previous motion here, but that motion was largely a motion of defeat for the agricultural community. It was an alternative to a viable agricultural community, and we do not want to see that in the grape-growing and wine industry.

I have to put on the record that I regret very much that when this very important debate is taking place, the Minister of Agriculture and Food (Mr. Riddell) is not here, nor is the Minister of Consumer and Commercial Relations (Mr. Kwinter). They have a right to be in their place while this kind of debate is taking place here.

We all know it is not the quality of Ontario wine that has caused the problem that exists. I do not need to go into that in detail, but everybody who even reads the newspapers knows that the wines we produce now in the Niagara area are equal to any of the wines in the world. I have a newspaper clipping here from April 24, entitled "Ontario Wines Beat French." I will not read it because of the time problem. I have another one here, from February 1985, entitled "Trans-Atlantic Wine Tasting Brings Praise from British Writers for Ontario Wines."

We have good wines in this province. We do not have any antifreeze, ethylene glycol or anything of that nature in them. Our grape growers are also cost-efficient in the production of our grapes. If we could compete on an even basis with the rest of the world and with the United States, without any subsidies, Ontario wines would sell more cheaply than any of the imports. Unfortunately, we cannot do that.

I say I am supporting this resolution, and I am. However, I am a bit surprised that it comes from a member of the Conservative Party. Sincere as the member may be, and I think he is sincere in this, the record of the Conservative government of this province leaves an awful lot to be desired.

The Tory government had the opportunity in 1984 to implement the items the member has in his present resolution. The recommendation in his resolution was made back on July 16, 1984. The Tory government was in power for almost a year after that, and nothing was done about the recommendation he has in his resolution.

The Tories were the ones who prematurely took off the handling charge of 65 cents per bottle. The Tory government dropped it very

quickly once it got a little bit of criticism from other sources outside this country.

The Tory government implemented the abortive sale last June. Does the member recall the sale that the Liquor Control Board of Ontario was going to have on wines? It was built up to be a great sale. It was going to last three or four months and really push Ontario wines. When it came out, it did not push Ontario wines at all.

I have a clipping here from the *St. Catharines Standard*, which I presume the member who moved this motion reads occasionally, entitled "Wine Sales Upset Growers, Wineries." The article quotes Brian Nash, chairman of the Ontario Grape Growers' Marketing Board, as saying: "It has gone from good to bad to terrible. It has been a big screwup all the way through."

5 p.m.

It was the Conservative government of this province that did that. Of course, those people are the ones who have their partisan colleagues now in Ottawa, and they are doing nothing about the foreign imports that are coming in. They have been in Ottawa now for almost a year and two months. What have they done to stop these tremendously subsidized imports from coming in? Not a thing. I have several letters from Brian Nash. We have had correspondence back and forth and he and the grape growers lay most of the blame, and rightly so, on the inadequate policies of Ottawa on stopping these subsidized imports.

I am surprised that this resolution before us today makes no mention of calling on the federal government to deal with that. Is that not amazing? It does not even call on this government to make an approach to the federal government to stop those imports.

I want to say to my Liberal friends that they did not do anything to help the industry when they added 10 cents a bottle to the price of our wine this year. Also, putting wine in grocery stores, as they propose, is not going to help the wine industry; it is going to hurt it. The Minister of Consumer and Commercial Relations has said it will not be confined to the sale of Ontario or even Canadian wines. Under the General Agreement on Tariffs and Trade, perhaps he cannot confine it to that.

If wine is sold in grocery stores and people can buy foreign wine cheaper than they can buy Ontario-produced wine and make more markup on it, that is the wine they are going to sell. They will not give the preferential treatment the Liquor Control Board of Ontario frequently has tried to give.

The proposal by the Wine Council of Ontario makes sense. It is patently obvious that the huge subsidization of the great wine industry of the European common market permits Canada to impose countervailing duties and thus the proposals by the wine industry are workable. Time is running out and I will not take time to read it. They have the approval of the United States wine industry for the imposition of these tax levies and for the changes that are being proposed.

I suggest these measures can go a long way towards helping the wine industry in this province if the government has the courage and is willing to make the financial input necessary to do this. If we can move the federal government to impose those countervailing duties, it can do so. There is no question about it. It is easy to prove those wines are being subsidized.

I conclude by calling on the Minister of Consumer and Commercial Relations—I hope he will at least read this debate—to implement the contents of this resolution even though the Tory government would not do it for the 42 years it was in power.

Mr. Offer: It is interesting to note that reference was made to the Minister of Agriculture and Food. I would like to clear the record that at this very time he is in consultation and working with the farmers of this province to help them with respect to their concerns.

Mr. Wildman: Where is the Minister of Consumer and Commercial Relations?

Mr. Offer: I think I have an answer.

I wish to speak to this resolution, not only because it addresses an issue that has presented some difficulties in the past but also because the belated issues of Ontario wine sales and the province's grape surplus demand the attention that will lead to a lasting resolution.

As a member of this House and as parliamentary assistant to the Minister of Consumer and Commercial Relations, I wish to express my concern for Ontario's grape growers and Ontario's wine industry. The grape-growing industry is not the largest player in our province's agricultural sector, nor do our wineries consider themselves a major industry in league with giants like Ford, General Motors, or Stelco. Nevertheless, our grape growers and wineries combine to employ more than 15,000 people on a permanent and seasonal basis and, as such, make a valuable contribution to our provincial economy. Such a contribution cannot be taken lightly or ignored.

Similarly, it is impossible to ignore Ontario's position in the global trading market, a position codified and monitored by the General Agree-

ment on Tariffs and Trade, to which Canada subscribes. The necessary presence of GATT globally requires that the Ontario marketplace not operate in a vacuum. It is incumbent on us to ensure any action we take in our domestic markets is consistent with our GATT obligations. To not do so would provide our trading partners with the opportunity to retaliate against practices considered discriminatory.

Ontario maintains a vulnerable position in world trading markets. My concern is that if our trading partners ever took punitive measures, they could outweigh what we might be trying to accomplish domestically. That represents a great risk to Ontario as a world trader. Our goods and services are establishing a name for themselves on the world marketplace, and our trading position should not be jeopardized. It is a fragile state of affairs and often creates situations which the more impatient among us understandably find uncomfortable. Nevertheless, the existence of GATT has benefited Ontario in the world marketplace. Consequently, its presence must be given serious consideration during any deliberation on the problems faced by Ontario's grape growers and wineries.

While expressing respect and empathy for the intent of the action proposed by the member for Brock, I suggest the problems it addresses will require further study and negotiations before a domestically workable and internationally acceptable solution is found. The resolution we address here today concentrates on the retail end of the wine spectrum. While appreciating the impact the suggested actions might have on wine sales, I also recognize there is a supply-and-demand imbalance in this area which the proposals might not fully address.

Over the past five years, Ontario wines have faced considerable competition to maintain their market share. Although the volume of Ontario wine sold has steadily increased from 7.6 million gallons to 9.1 million gallons annually over the last five-year period, our wine products have experienced a decrease in market share over the past two years. Yet over the past three years there has been a significant increase in grape production, resulting in substantial crop surpluses. Last year, it amounted to 33,000 tons, although the picture is not expected to be as bleak this year.

I am certain there is little consolation for any of us in the news that other grape-growing countries are experiencing similar surpluses. This year, estimates have placed the grape surplus in New York state at 15,000 tons and large surpluses are also expected in some member countries of the

European Community. I will not dwell on the macroeconomics of the situation, except to say that such grape surpluses invariably lead to wine surpluses, which in turn lead to a search for new markets. This likely explains the request from our European Community trading partners for a review of Ontario's compliance with GATT with respect to our wine marketing practices.

5:10 p.m.

It may also explain the fact the United States, under its Wine Equity and Export Expansion Act, has designated Canada as a country to which it wishes to increase its wine exports. The United States may require us to eliminate barriers in the way of its wine exports.

Specifically, we could face retaliation if it is determined our wine markup, listing and distribution practices are discriminatory. Such retaliation could include imposing high tariffs on important exports to Europe, such as auto parts, and important exports to the United States, such as rye whisky and beer. This could cause serious economic harm to those Ontario industries.

The point is, the effects of resolutions such as we have before us today should be given careful consideration in the context of GATT, the Wine Equity and Export Expansion Act and the possible negative impact it might have on our trading relations.

To this end, I am sure many members of the House are anxiously awaiting the report on the province's grape and wine industries prepared by a task force chaired by Professor Jack Tanner of Guelph University, which was established to recommend long-term solutions to the problems of the two industries. It is my hope its report will deal thoroughly with domestic as well as international realities and provide a sound footing for future action.

In the absence of the Tanner report and until such time as ongoing negotiations within GATT and the United States are resolved, it might be improvident for us to take action of the type suggested today, regardless of good intention and sincerity.

Mr. Andrewes: I rise to support the resolution and to support my colleague's initiative in this regard. From my own perspective on this, there are about 800 grape growers in Ontario and approximately 400 reside in that great part of the Niagara Peninsula known as the riding of Lincoln. There are also a number of local wineries of some repute and they are certainly gaining in that reputation.

After the impassioned appeal of the member for Welland-Thorold (Mr. Swart), I am some-

what tempted to move an amendment to the resolution, but knowing the emphasis and intent of it rests with this government, I intend to leave it the way it is.

Over the years, I have had an opportunity to speak in support of the grape and wine industry. This may be of some interest to the member for Niagara Falls (Mr. Kerrio) if he is ever allowed into western Canada. After some of the things he said recently about our friends to the west, he may not be.

Hon. Mr. Kerrio: Mr. Speaker, on a matter of personal privilege—

The Acting Speaker (Mr. Morin): This is not a matter of privilege. Please continue.

Hon. Mr. Kerrio: This is very important. It is a personal privilege.

The Acting Speaker: Go ahead.

Hon. Mr. Kerrio: I want to make it very clear I have never said anything about my western friends that I would not say in this Legislature. I want the member to understand they are my friends and I would go there and be welcomed.

Mr. Andrewes: I am not sure that is a point of privilege.

The Acting Speaker: I agree.

Mr. Andrewes: I want to tell the member for Niagara Falls that when he makes up with western Canada, when he is allowed to cross that great divide that exists between Saskatchewan and Manitoba and is allowed into the western part of our region, he may find himself having an opportunity to speak to some of his colleagues, some of the members of the energy industry and something called the Petroleum Club.

A number of years ago, in a previous incarnation, it was my privilege to flog the values of Ontario wines to members of that club. I am sure its steward and wine cellars are now that much richer. It is ironic that one can buy Ontario wine in Alberta for less than one can buy it in Ontario.

I was looking forward to seeing the member for St. Catharines here for this debate because the grape and wine industry in Ontario has had a great number of strong ties with the Ontario government, particularly with the cartel operated by the government in the sale of wine and alcoholic beverages called the Liquor Control Board of Ontario. There has been a long history of strong relationship, developed particularly through members who represented the areas where grapes are produced and where the wineries exist. That relationship was very strongly carried forward by the former member

for Brock, the Honourable Robert Welch, the former Deputy Premier of the province. It is appropriate that this resolution should come from his successor.

It is particularly important that the relationship between the industry and government be carried strongly to the sacred corridors at the end of this hall known as the executive council. I am delighted and enthusiastic that the member for St. Catharines has spoken out on occasion in support of the intent of this resolution. I am sure his colleague the member for Niagara Falls will support him when it comes to that discussion around the table.

I can tell the member for Niagara Falls and the member for Essex South (Mr. Mancini) that I am very impressed with the kind words of support that we are now hearing from the Premier about Ontario wine. He was at the Grape and Wine Festival this fall and he told the media there that he and his wife had enjoyed a bottle of Ontario wine the previous night. So we can now anticipate substantial improvement in the inventories in the wine cellars of the London Hunt Club, where Mouton-Cadet will now become Chateau des Charmes Riesling, where Mumm will become Brights President, and Kressman will be replaced by some suitable Colio red wine from the great southwestern Ontario region.

It was the member for St. Catharines who about a year ago, in his role as a member of the opposition, advocated a similar support for this resolution in statements he made to the London Free Press and to the St. Catharines Standard. He indicated that any loss in revenue that might be generated by this change in markup structure would be more than made up by increased sales.

It is ironic that the timing of this resolution, which was originally scheduled to be debated last Thursday, was bumped by the Treasurer and his budget in which we saw increased taxes on Ontario's wines and all other wines.

I want to put this in some perspective because the anticipated increase in revenue from that one tax measure amounts to nearly half the value of grapes sold in this province in 1985. The sentiments of the industry were well expressed in an article in the St. Catharines Standard of October 26, where Mr. Nash, the chairman of the Ontario Grape Growers Marketing Board said:

"The increase in taxes is a bitter pill to swallow. With the stroke of a pen, the government is taking half what grape growers get out of a bottle of wine. It could push the industry to the brink. Perhaps they are trying to get rid of us. Not

in my time have we been hammered as hard in one shot as we have this time."

5:20 p.m.

Enough of that. With the limited time I have left, I want to get into some of the history. It is important that we put on the record some of the history of this industry, an important segment of which began in 1975 when a substantial surplus of the wrong kind of grapes found itself lacking a market. It was the Ontario government at that time, a Conservative government, which moved to support the industry by buying that surplus and having it manufactured into brandy, a new product for the grape and wine industry in Ontario, which went into inventory at the expense of the Ontario government, not the federal government. This was 1975.

At the same time, the government provided assistance to growers to remove those varieties which were no longer in demand and replace them with newer, more progressive, more palatable varieties for better table wines. It was the same government in 1981, when faced with an international surplus problem, that moved to impose a handling charge which compensated the Liquor Control Board of Ontario for the higher costs of inventory on imported wines when they were not forced to carry that inventory of domestic wines.

It was the leader of our party, the former Treasurer, the member for Muskoka (Mr. F. S. Miller), who listened carefully to the industry at that time and implemented that handling charge, and it worked very well. It worked well until 1982, when complaints by the government of the United States that the handling charge violated the General Agreement on Tariffs and Trade forced its removal. The handling charge was replaced by a reference price—a floor price—which worked reasonably well until the fall in value of the French franc and the subsequent inundation of Ontario markets by French products.

We have had continued pressure from those subsidized imports, subsidies that consist of vineyard reorganization subsidies of \$180 million and distillation subsidies of \$780 million, plus the participation of member states in the long-term and short-term storage subsidies of \$113 million, and that is only a modest part of the kinds of subsidies that the European community is imposing on the industry.

Mr. Speaker, I think I have clearly set out for you and members of the House the situation and I ask the members to support the resolution.

[Applause]

Mr. Speaker: The member for Timiskaming.

Mr. Ramsay: I would like to thank the members opposite for that applause as I stood up. It was very well appreciated. It was for me, but I was not asking for any. I would like to thank the member for Algoma (Mr. Wildman) as well as the members over there, too.

I would say to the member wearing the orange tie, who is sitting across the way now, if he could muzzle the member he is beside it would be greatly appreciated. Maybe he could cut some trees or something for us.

The two bills this afternoon are both involved with the agricultural industry. It shows that this industry in this province is in real trouble and as a government we are going to have to start to look at an agricultural policy.

Grape and wine production is an industry we are going to have to look at because we are really blessed with wonderful soils and climate and we can produce a good wine. This is also moving to other parts of the province besides the Niagara Peninsula. We are now producing in Essex some very good wines, Colio Wines being one.

I know it is the riding of my friend the member for Essex South. Maybe in the next election—

Mr. Mancini: I will take care of Essex, thanks a lot.

Mr. Ramsay: We will have to see what happens when the two Essexes become one.

I would like to put a bid in for some of the wine that came from Italy that was pulled off the shelves today. I have trucks and tractors at the farm and I need antifreeze in the winter in Timiskaming. This may be a cheap source of antifreeze. I am very proud to say that Canadian wines do not have these contaminants in them. We can certainly trust that we are getting very good—what is everybody looking at me for? Everybody please go back and read. I am having a good time here.

Back in the north, we are looking for that cheap source of antifreeze, and maybe Italian wine is the answer.

Mr. Guindon: What does the member have against Italian wine?

Mr. Ramsay: I will not be provoked as the previous member for Timiskaming was on several occasions. I am only against the Italian wine that has been pulled off the shelves. Unfortunately, it had been chemically poisoned. It is a shame to see unscrupulous profiteers in the wine industry in Europe. I thought it was just the Austrians who were into that. Now we see it in

some Italian wines, too, and it is very unfortunate.

This is a big industry. As well as all the farms in southwestern Ontario and the Niagara Peninsula involved in grape production, there are 900 people engaged in the industry. We are talking about \$200 million worth of sales in this industry; so it is a significant part of the agrifood business of this province. We are looking at 15,000 Ontarians engaged in farming grapes in the Niagara Peninsula and in southwestern Ontario. It is not a large industry in comparison to auto parts or steel, but the operations are well-concentrated within Ontario and it is a vital part of the Niagara region.

Moreover, there are four major producers accounting for 70 per cent of all the domestic sales of wines in this province. It has been an industry that has evolved over time in Ontario, using many of the European grapes that have been developed since the Second World War. We are starting to have a superior product in Ontario.

I would like to bring to the attention of the members that in August 1983 the Ontario government removed the handling charge of 65 cents per bottle on imported products. That seems to me to run contrary to the support of our domestic products. I question why the government did that. It was a shame not to support Ontario wine at that time. Now we have a private member's resolution from a member of that party asking for forgiveness and saying this present government should do something. Certainly this government should do something. I support in full measure the intent of the resolution proposed today.

During the last eight months, there has been a lot of study, consultation and negotiation with the wine industry. Some practical plans have been developed for regaining the traditional market share, which has fallen in Ontario. Prior to having that package submitted by the wine growers to the Ontario government on July 16, 1984, the industry met with US grape and wine producers and obtained support for their proposals for altering the pricing structures for wines sold in Ontario. That is referred to as the Niagara accord. I support that accord.

One of the problems is the heavy subsidization that the European Community has given to European wines. Grapes and wine in the EC are considered primary agriculture products and are covered by its common agricultural policy. Through various subsidy mechanisms, substantial funds are provided to the European grape and

wine producers, the effect of which is to lower their cost of production.

For the most part, European grape and wine producers receive assistance through three major subsidy programs: vineyard reorganization subsidies, distillation subsidies and long- and short-term storage subsidies. The comment has been made that they are excellent programs. Maybe we should see them over here in Ontario, instead of being over in Europe, and not let the Europeans get away with those programs for bringing their cheap product over here.

In addition, there are several state programs in Europe to provide further financial assistance to grape and wine producers through the provision of grants, low-interest loans, rebates on packaging costs for wine destined for export and accelerated depreciation allowances. All these things are possible models we could be looking at in Ontario.

I support this bill in full measure.

Mr. Mancini: I am very pleased to take part in this debate and have been very pleased to listen to some of the remarks made by the members opposite.

Mr. Ramsay: I wish the minister was listening.

Mr. Mancini: The minister is listening, as he always does.

5:30 p.m.

I was very interested in the remarks made by the member for Timiskaming, the young, new, brash member from the north, who is very anxious to look after Essex county and very concerned about what is going to happen when the two Essexes are joined. I am sure there are others who share his concern.

This matter of wine pricing and assistance to the wine industry should be separated into two categories. One is assistance to the industry, how best we can ensure its viability and future strength. Pricing should be a separate issue altogether.

I say that because of the recent experience I have had at the Ministry of Intergovernmental Affairs, where I am able to read many of the documents sent to the Premier, as he is the Minister of Intergovernmental Affairs on international matters.

One of the matters of international concern, as has already been pointed out by many of the members who have spoken earlier, is the problems and objections that are being put before the General Agreement on Tariffs and Trade by European countries which feel we are using

discriminatory practices in retail outlets and in the pricing of wines.

While they can make a case that under GATT this may be discriminatory, I believe we also can make a case, as was suggested earlier, on account of the tremendous amount of subsidization European countries give to their agricultural industries. I am sure all of us are aware that one of the biggest difficulties facing the European Community is the tremendous level of subsidy given to the farming community in Europe.

It is now so great it is straining EC. At all meetings at which EC members attend, there is usually a battle involving England, France, Italy and other countries as to how much more of these subsidies the European Community can afford.

Yes, we have some difficulties with GATT. Only some weeks ago, a senior member of parliament from Italy, the parliamentary assistant to the Minister of External Affairs, former Prime Minister Giulio Andreotti's parliamentary assistant, was here and told us point blank: "We feel deeply that you are contravening GATT. We have already made our feelings known to GATT and we are going to proceed to GATT." They are going to take us to the international court, whether we like it or not. That issue of pricing is very important.

How do we price the market fairly, get the product to the consumer in an adequate fashion and still remain able to compete because of the subsidization from Europe? I do not think anyone out there can convince any of us the latter is not occurring.

I think the member has his heart in the right place. We have heard from other members from the Niagara Peninsula. My colleague the Minister of the Environment (Mr. Bradley) has spoken on many occasions in the past on the importance of the wine industry and some of the things he felt the government of the day should be doing.

As a government, we are concerned and aware of the situation. I firmly believe the member's efforts are honest in this regard and that his feelings, concerns and the resolution he has introduced are part of a genuine effort to try to help an industry that is struggling at the moment. This may not be the correct answer, but the member's feelings are in the right place. I want to make that very clear.

In Essex county—I am very happy the member for Timiskaming is allowing me to speak for it—I am pleased that we have a wine industry that is growing rapidly. I want to ask the member for Timiskaming whether he has had a bottle of

Colio or a bottle of Pelee Island wine lately? It is really great stuff.

Mr. Ramsay: Yes, I have. It is magnificent.

Mr. Mancini: It is really great stuff. Thank you for supporting our industry.

There still are some outstanding issues we have to address when we talk about wine and the problems facing the wine industry. I am aware that the wine industry task force has not yet reported. I think that is correct. I am aware, as I said earlier, that we are going to end up at a GATT panel hearing if we do not in some way appease the people who feel we are breaking international agreements. I am told a committee has been appointed by cabinet to investigate the GATT problem.

The final piece of information I received from a particular government department was that the proposal of the member would cost about \$22 million. I am not sure how that figure was worked out, but I assume the senior officials in that department came up with the right figure and are not going to pass on to us figures that are not correct and that we cannot use. Is this the best way to use the \$22 million or are there other, more imaginative ways to spend \$22 million in support of the wine industry? Of course, his bottom line is that if we do not get the money from that sector, someone else has to pick up the cost. That is plain logic.

I know how concerned the government House leader is about the deficit. If we do not raise taxes, we will have to increase the deficit another \$22 million. The member will be up asking us questions again tomorrow. Actually, the only reason the deficit has gone up this year is that we had to redo all the offices the Liberals used to occupy so that those guys could go in and occupy them. We spent all the money redoing all those offices and providing brass lamps, plants, new typewriters and all that kind of stuff so those guys would not feel so badly about it. However, that has nothing to do with the wine industry.

I want to conclude by saying that we understand what the member wants to accomplish. Our government is interested. I think many of the details we are concerned about have been put on the record by myself and others. I think we can support the member's resolution. I can support his resolution.

Mr. Speaker: The member for Wentworth has about seven and a half minutes.

Mr. Dean: I think I can fit my garment to that cloth, Mr. Speaker.

I am pleased to join my colleagues from all sides of the House in supporting this very

worthwhile resolution. Like my colleague the member for Brock and my colleague the member for Lincoln (Mr. Andrewes), I am greatly concerned about the market situation for the grape growers of Ontario.

As has been mentioned already, grape production is more than 100 years old in Ontario. During that period much of it has gone for fresh use, for juice and for preserved items, but most of all it has been used for the production of wine.

Until about 15 or 20 years ago, the majority of the grapes grown in Ontario were of the species called *labrusca*, that is, the native American grape. Concord and Niagara recall some of the varieties. Since then, many plantings of various hybrids of *labrusca* and *vinifera*, which we normally think of as European or Californian grapes, have been made. The latter are preferred for winemaking but are too tender for Niagara's winters. With the coming of the hybrids, they are hearty enough to live in the Niagara Peninsula and still possess the good quality of their *vinifera* parents that have brought us to the present situation.

Wines from the new varieties, which now are grown in considerable quantities, are equal to the best in Europe, and some are better.

Hon. Mr. Kerrio: The member had better believe that.

5:40 p.m.

Mr. Dean: As a matter of fact, as the member for Niagara Falls is suggesting, some blind taste tests on so-called experts showed they preferred Ontario wine. We have seen the growth of small, innovative, specialty wineries as a result of that, and discriminating consumers of wine now use Ontario brands with confidence. I had an argument with a head waiter in a certain hotel about that one time. I think he lost.

Having licked the problem of quality in wines, however, the growers and wineries are now battling a new adversary: the flood of imported wines. As the member for Lincoln and the member for Brock have mentioned, there is heavy subsidy of these wines by the governments of the Economic Community. On top of that, the devaluation of the currencies in France and Italy has given a further price advantage to some imports. As a result, our share of the wine market has declined sharply.

The resolution put forward by the member for Brock states clearly that several actions are needed by our government. I fully recognize that a great deal of responsibility still rests with the federal government, and it seems that whatever the colour of that government it is difficult to get

it to take the necessary action. We all have to work on that too.

The proposals in the resolution have been agreed to by Ontario wine producers and by many of their US counterparts. The essential effect is to provide a price differential of \$1 per litre between the cheapest imports and Ontario's products. The details of those proposals were spelled out by my colleague the member for Brock, and I will not repeat them.

While the enactment of these necessary reforms would not be a cure-all, it would arrest the downward slide of the market share of Ontario wines. We have been advised, contrary to some of the opinions expressed earlier by members on the government side, that this course of action will be acceptable to the GATT rules.

This course of action or something like it is essential if we are going to keep farmers on the land. I know from personal experience from my farming background, as a number of members here know, that the financial returns just are not there under the present conditions. For example, my brother and I operated a fruit farm together until I heard the siren call of politics.

Mr. G. I. Miller: The member answered the wrong call.

Mr. Dean: The wrong siren maybe.

From the records we kept on the production of grapes for wine we came up with the following interesting but depressing results. After paying all the costs of production and harvesting for most years, allowing ourselves the magnificent sum of \$5 an hour for our own time and a modest return on the capital that was invested in land, plantings, buildings and machinery, what did we find? We lost money on the year's operations. Why did we not end up in bankruptcy? That result really means we did not get \$5 an hour for our time, and we did not get that kind of return on the money that was invested in it. One cannot go on doing that for ever.

Does one wonder that farmers have to have a second job? Are we surprised that owners of farm land sell it, even if it hurts sentimentally, for other uses whenever there is an opportunity? If we are serious as a society about preserving agricultural land, we have to start out by ensuring the farmer and his family can make a decent living on that land. In the long run, no one will farm land at a loss, no matter how well preserved it is, how many tears are shed over it by urban do-gooders or how committed the farmer is to making a go of it.

I believe strongly that the measures advocated in this resolution will be positive for the grape

growers and the wine producers of Ontario. All members will do ourselves a favour by supporting it.

Mr. Speaker: The member for Brock has five minutes. There is a still a minute and a half for anyone else wishing to participate.

Hon. Mr. Bradley: I want to take the opportunity to comment very briefly on the resolution that the member for Brock has brought forward. He and I have chatted in the past about this and about the problems confronting both those who are in the grape-growing end of things and those who are in the wine-producing end of things.

The resolution is a departure from what Treasurers in provinces usually like to see. However, those of us who have a very strong parochial interest in our communities and in the effect the lack of positive policies can have certainly would commend the member for Brock for bringing this forward and allowing a debate on a very important issue which will be confronting us for some time to come.

There is no question the pricing policy on wine is one that must be addressed in a positive fashion. I also recognize, as does the honourable member, we are facing some very difficult competition from overseas, and we must be prepared to support our industry, the grape growers and wine producers, if it is going to survive. On that basis, I hope his resolution gets favourable consideration.

Mr. Partington: After listening to the remarks and some of the supportive comments made by my colleagues, I am even more convinced the government must act, and act now, to prevent the crisis facing our grape and wine industry from worsening. While the government has made repeated promises to Niagara farmers, recent events have demonstrated that the Liberals have let them down once again.

The wine industry is not looking for a handout. They are not expecting the government to institute a program that would give them an unfair advantage. All they are asking for is the chance to compete fairly with foreign products within their own province. Failure to respond to this request could result in the collapse of our domestic grape and wine industry, jeopardizing the jobs, lives and wellbeing of 16,000 citizens and their families.

As members may be aware, I am a lawyer, not a farmer. It is said that all lawyers are fond of quotations since they are the common law substitute for an original mind. In that light, I

have a farming quotation for the consideration of the House:

"Joseph said to the people, 'Ye shall give the fifth part unto Pharaoh, and four parts shall be your own for seed of the field and for food and for them of your households and for food for your little ones.'"

Members will no doubt recognize that as part of Genesis, chapter 47, verses 23 and 24.

When the grape and wine industry yields the bulk of its sale price to Pharaoh, in my opinion it is incumbent on Pharaoh to ensure that there are some parts left over for the farmer and his little ones. The government is in the process of failing in that responsibility. Consequently, I urge all members to join me in support of this resolution.

5:50 p.m.

Mr. Pouliot: I realize time is of the essence, but when someone talks about wine, I have a great deal of difficulty remaining in my seat. I am not going to talk about Grande Cuvée, Petit Chablis or Beaujolais. Suffice it to say that European producers were making wines when Canada was still dry.

The debate is not centred on which palate we should look to satisfy in a free marketplace. What we are talking about is the survival of an industry that has been allowed to produce a concoction and market it under the word "wine." Nevertheless, it becomes very evident, if we are entitled to be parochial—this is allowed—if we are aware that our "produce" cannot survive—

Mr. Speaker: The member's time has now expired.

COMMERCIAL VENTURES IN RURAL AREAS

Mr. Speaker: Mr. Reycraft has moved resolution 12.

Motion agreed to.

WINE PRICING

Mr. Speaker: Mr. Partington has moved resolution 13.

Motion agreed to.

BUSINESS OF THE HOUSE

Hon. Mr. Nixon: My onerous and multiple duties almost led me to forget this important job.

I would like to indicate the business of the House for the remainder of this week and for next week.

Tonight, tomorrow and Monday, November 4, we will continue with the budget debate.

On Tuesday afternoon and evening, we will deal with Revenue Bills 45, 46, 47, 48, 49, 50 and 51, second reading and committee of the whole if required.

On Wednesday, the usual three committees may sit.

On Thursday afternoon, we will deal with private members' items standing in the names of Mr. Allen and Mr. McGuigan. In the evening,

we will continue with Revenue bills not completed on Tuesday, if any.

On Friday, we will continue Revenue bills not completed Thursday evening, if any.

I would also like to indicate that the House will not sit in the chamber during the week of November 11. However, committees may sit if they wish.

The House recessed at 5:52 p.m.

ERRATUM

No.	Page	Column	Line	Should read:
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Legislative Assembly of Ontario

First Session, 33rd Parliament

Thursday, October 31, 1985

Evening Sitting

Speaker: Honourable H. A. Edighoffer

Clerk of the House: R. G. Lewis, QC



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LEGISLATIVE ASSEMBLY OF ONTARIO

Thursday, October 31, 1985

The House resumed at 8 p.m.

BUDGET DEBATE (continued)

Resuming the adjourned debate on the amendment to the motion that this House approves in general the budgetary policy of the government.

Mr. Brandt: I am delighted to have—

Hon. Mr. Nixon: We need a new joke.

Mr. Brandt: I might insert one or two. If the Treasurer (Mr. Nixon) stays absolutely calm, cool and collected over there, I will do my best to be as fair, balanced and honest with my remarks as I can possibly be.

I have had the opportunity on many occasions to be in this House when the current Treasurer sat on the other side and I listened to him with great interest. I might add that I received a great deal of knowledge listening to the then member of the opposition share some constructive criticisms with our party when we were in a somewhat different position than we are in at the moment. I hope the Treasurer will accept my comments this evening in the same light as I received his comments not all that many months ago.

I have to say at the outset that it has been about 42 years since the last Liberal government brought in a budget in this province of ours that we all love so dearly.

Hon. Mr. Nixon: The Treasurer of the day was St. Clair Gordon.

Mr. Brandt: The Treasurer of the day was St. Clair Gordon. He will go down in history as being the last Liberal Treasurer to bring in a budget until the time we had this budget within the last few days.

Quite frankly, and this may come as a shock to the Treasurer, I want to say some nice things about the budget he has brought in. I want to, but I find it very difficult to. For that reason, I want to get into the substantive part of my remarks by dealing with what I think are some of the oversights and near misses brought into the budget by our esteemed Treasurer.

Hon. Mr. Nixon: It is going to be a short speech.

Mr. Brandt: It is a rather lengthy address and I apologize for the length of it this evening, but

there is a fair amount of content to it and I know the Treasurer is looking forward to it in the spirit in which he has delivered similar addresses in the past. I know he is listening to it in the spirit of wanting to learn from us what it is that may be somewhat flawed in his budget presentation.

I would be less than honest if I did not tell him I am deeply disturbed about the increase in taxes he has brought about in this province by taking the almost unheard of move of increasing taxes by literally some \$750 million.

Hon. Mr. Nixon: The only bigger one was that of the member for Muskoka (Mr. F. S. Miller) four years ago.

Mr. Brandt: I will get to that. I will be very happy to address the very point the Treasurer raises, because the \$754 million in increased taxes came at a time when this province was enjoying one of the highest levels of growth in the entire history of the province in terms of employment gains and revenue gains.

Generally, when one looks at the economic position of this province relative to virtually any other jurisdiction in the world, we were in a position where we were moving ahead much more quickly than any of the other provinces and virtually any other jurisdiction in the world with which one might compare Ontario.

Not only did the Treasurer have the gall, if I can use that term affectionately, to increase taxes by \$750 million, but he also added insult to injury by increasing the deficit some \$500 million during a period of high growth. He increased the deficit from \$1.7 billion to \$2.2 billion. It is an unconscionable increase that even the Treasurer cannot justify with all the smooth rhetoric that he has become so known for over the years.

In addition to that—and I have already talked about some very substantial sums of money—there was something of the order of \$642-million worth of campaign promises that the party opposite me at the moment did not keep; promises it made during the course of the last election campaign and promises that it intends to fulfil at some future point.

In every situation I can recall in this House, when the question has been raised about what it intends to do about denticare or about Ontario health insurance plan premiums or other cam-

paigned promises, the answer we get in almost a knee-jerk reaction is that those promises will be kept in the fullness of time or perhaps in early fall.

Hon. Mr. Nixon: Early fall.

Mr. Brandt: That has become almost a buzzword with the members opposite when they have not yet had an opportunity to bring about some of the changes they feel are so necessary in this province.

All of these changes, which I feel are going to impact very negatively on this great province of ours, have resulted in jeopardizing the triple-A credit rating of this province. What does that mean? I have heard the Treasurer indicate, almost with the back of his hand, that the triple-A credit rating is not of too much importance to this province and it does not provide a whole series of programs such as additional housing for those who require subsidized housing, social programs or health services.

I can agree with that, if one takes out of context the symbol of what the triple-A credit rating stands for and attempts to mislead the public of this province in some way by suggesting that the triple-A credit rating is a meaningless symbol. It is more than that. It represents hard dollars. It represents increases in the interest rates this province is going to pay from now until a long time into the future.

It means that programs of a social nature, programs that will stimulate the economy in some fashion and programs that are badly needed by this province will not be brought on stream as a direct result of the errors and omissions that have been brought about by the present Treasurer in simply ignoring the harsh realities of life; those being that during a time of rather buoyant growth one does not do two things in particular: increase the deficit and increase taxation. Those are things one does not touch when the economy is expanding and growing as rapidly as our economy is at present in Ontario.

The Treasurer has gone even further than that. In addition to virtually ignoring the importance of the triple-A credit rating, he has removed the funding for and indicated he is going to disband the Economic Council of Ontario. There was an independent objective body which looked at the finances of this province and came up with an overview. It was sometimes critical of the government of the day, but at least it was an objective outside opinion with respect to the position this province was in relative to its economic performance.

If I were the Treasurer and I brought in this budget, I would get rid of it too. I would not want some independent evaluation by an outside agency bringing forward the kind of critical reports that were absolutely predictable with the impact of this budget being felt in the months and years ahead.

8:10 p.m.

What do increased taxes mean to Ontario? How significant are they in this time of growth, as I have indicated? The Treasurer well knows, as do most of the members of his party who pay lipservice to the importance of small business, literally 90 per cent of all new jobs in this province are created by small employers, those people who take the initiative and have the entrepreneurial skills to be able to develop this province. What bothers me so deeply is that this Treasurer has literally ignored the interests, needs and opportunities that are present in the small business community.

I raised this question during question period, as the Treasurer will recall, and he indicated a couple of programs he had put forth in this budget, one of which, I believe, parallels the federal move to simplify the reporting procedures of small business. I applaud those moves. That is a very positive thing and, in the interests of balance and fairness, I want to applaud that move.

However, I have to ask, why did he increase corporate taxes by some \$200 million? Why did he take away the incentive that was in the inventory allowances of about three per cent? Why did he increase the personal taxes as much as he did at a time when it was totally unnecessary?

The Treasurer reflected back to the time of our present leader of the Conservative Party and the former Premier, and indicated he had increased taxes and the deficit even more during his term as Treasurer. I think there is perhaps some justification in the comments the present Treasurer made with respect to the moves that were made at that time. However, I have to remind him they were made during a time of literally no growth and one of the deepest and most severe recessions this country has ever experienced. Ontario was suffering, not as badly as other jurisdictions, but it was suffering from some very serious economic problems that had to be addressed.

Interestingly enough, because we had managed the province in a very acceptable fashion over the years, this province had the flexibility to be able to raise the deficit without jeopardizing our triple-A credit rating. We were able to raise

taxes when all of us would have liked to have been able to maintain the tax level in order to stimulate the economy through government measures.

That is where deficits can be used, to quote the Premier (Mr. Peterson), "as a creative tool." They can be used during periods of slow growth and periods of economic stagnation to bring on affordable housing for those who are marginally employed or perhaps unemployed and need some form of government assistance, social assistance programs of various types, or the assistance of government in some direct fashion.

That is the appropriate way in which a deficit should be used, but I would tell the Treasurer, and he knows this, coming from small-town Ontario, a deficit increase during a time of rather expansive growth is simply going to end up at some future time jeopardizing the capacity of this province to respond appropriately to the needs we all see ahead.

I have to say I am less than delighted, in fact I am extremely disappointed, with some of the moves that have been made by the Treasurer as they relate to encouraging private initiatives and encouraging the private sector to create the real, long-term, meaningful jobs our society so badly needs.

What else did the Treasurer do in his budget upon which I have to reflect and on which I offer constructive criticism? I do not mean this in a mean-minded way at all, I mean this very constructively. I have listened very carefully to what the Treasurer has said about the ad valorem tax increase. I have listened not only to his spoken word here in the House, but I took the time—and the Treasurer will be pleased to hear this—to read some of his speeches in this House.

I have to tell members it is not an easy thing to read some of his speeches, and to read them late at night, as I sat in my apartment here in Toronto with a glass of milk and a couple of Oreos cookies. But I read the Treasurer's speeches. I hung on every word, because the importance of what he said while he was in opposition would reflect itself in some way, I thought, in the principles and in the philosophy that he brought forward in this budget. But did he do that? The answer is no, he did not.

I have, for members, a Nixonian quote.

Hon. Mr. Nixon: I do not want to hear this.

Mr. Brandt: I know this is going to hurt. I know this is not going to be received kindly by the Treasurer, but it is important that I share with him part of the message he delivered in such a forceful, intensive fashion while he sat virtually

in the same seat I am in now. The Treasurer said at that time, "As a matter of fact, eight cents per litre is bigger than the federal government grab from petroleum and almost as big as that of the government of Alberta." That is what he said when he was in opposition.

Hon. Mr. Nixon: But the Conservatives had doubled it in four years from 19 cents a gallon to 36 cents a gallon.

Mr. Brandt: But if what we did was wrong—

Hon. Mr. Nixon: We have just raised it 0.4 cents a litre.

Mr. Philip: Is the member going to vote against it?

Mr. Callahan: Yes or no?

The Deputy Speaker: Order.

Mr. Brandt: I will get to that point. I want to address the point of the third party, who signed an accord that has now been broken on this very point. I want to know what the third party is going to do about this measure. It will be interesting to see how they stand up for the principles that were written in their accord.

I tried to understand what the Treasurer was trying to say when he was so negative about the ad valorem tax. As a simple little boy from Sarnia, I thought perhaps it was the increases in taxes that he was opposed to; but no, that was not correct. What the Treasurer was opposed to was the philosophy of the automatic increase triggering as oil prices went up, which reflected itself in gas price increases and therefore in taxation related to the ad valorem process. The Treasurer made a very clear point of putting forward his view as it relates to the ad valorem tax; what he said was, "I am opposed to the philosophy of the ad valorem."

In our party—and this is how we can be confused by the antics that go on over there—we took this to mean that he was opposed to tax increases. But it was not tax increases he was opposed to, it was something called the ad valorem.

It just so happens that under this nasty phrase known as the ad valorem, the taxes on gas last year, I remind the Treasurer, were frozen. The ad valorem and its impact were meaningless as they related to our budget last year, because we recognized—

Mr. Mancini: In my view, it should be confidence.

Mr. Brandt: I hope I hear the member saying in the days ahead that it should be confidence, because I have not heard that from the Treasurer yet.

The Deputy Speaker: Order. Would you please address the chair.

Mr. Brandt: I am being baited, Mr. Speaker.

I was absolutely astonished, and I know the Minister of Energy (Mr. Kerrio), who I am pleased to see is in the House tonight, is astonished as well that when he was trying so desperately to get a good deal for Ontario on energy from the west, his own Treasurer pulled the plug on him by increasing taxes on gasoline in the Ontario budget.

Hon. Mr. Kerrio: There is a connection somewhere.

8:20 p.m.

Mr. Brandt: There is a connection because it relates very directly to the philosophy of increased taxation, irrespective of what the commodity might happen to be. It is very difficult for the Minister of Energy to be negative towards what is going on in Alberta when his government is doing more of the same right here in Ontario to the taxpayers of this province. It is very difficult because it is the height of hypocrisy to be negative about and to bad-mouth another jurisdiction when he as a member of the government of Ontario is doing the self-same thing.

I read the Treasurer's quote when he was in opposition and talked about how bad it was in Ontario with the per litre tax that was in place at that time. I guess my expectations were too high, but I fully expected that when he was looking for additional revenue he would do the honest thing. He would be straightforward with the citizens of this province and raise taxes in other areas, but leave the ad valorem tax alone.

That is exactly why my friends in the third party, with whom I am agreeing, are saying, "You have broken trust with the people of Ontario." That is what they are saying and we are agreeing with them that the Liberal government has broken the trust of the people of Ontario.

When I took a look at this budget as a former businessman, I had to look at what the total increase was not only in taxes but in deficits and promises. I was astounded at the figure I came up with. I say to my colleagues who believe in the philosophy, the policy of fiscal restraint, who believe in responsible government—is that not correct?

My colleagues took a look at these figures and they were shell-shocked when they saw—

Mr. Mancini: It is because of May 2. That is why they are shell-shocked.

The Deputy Speaker: Order.

Mr. Brandt: Not only is the level of spending in this budget irresponsible, but the promises that are yet to come compound that whole irresponsibility to the point where, if one takes the deficit and the increase in taxes and puts the promises on top, one comes up with \$1.8 billion, a figure I know would astound even my friend the member for Sudbury East (Mr. Martel). That is a lot of money.

Even though on occasion the members of the third party are somewhat more free-spending than we are, I know that figure must frighten even them just a little bit when they recognize what it is going to mean to the taxpayers of this province. It is going to mean a dark day ahead. The actual figure is \$1.846 billion, for the record, if one takes the whole package and puts it all together.

What is the result of all that spending? One would think the result of all that spending was going to be some form of economic growth and development and a better day ahead for the people of this province, but that is not what is going to happen.

The members will be surprised to hear that in the documents the Treasurer tabled in this House the actual level of job growth, the actual number of new jobs that are expected to be created in this province, has been reduced from what we were able to achieve during the term of our government. Instead of 152,000 jobs, this government, with all its spending programs, with all the gloss and all the glitter associated with that budget, is going to be able to create 108,000 new jobs, a reduction of 44,000 jobs.

When I consider the population of the city I represent—and I have the township of Sarnia, the village of Point Edward and the city of Sarnia—as I drive through my constituency and as I look around at the people of my constituency who are so actively employed in many industrial activities and I think of 44,000 fewer jobs, the real truth of what 44,000 fewer jobs in our economy means comes home to me in a very direct fashion. That is almost the whole population of the city of Sarnia.

Can the Treasurer imagine that? He is denying the people of this province an additional 44,000 jobs. If only he had copied our budget, we would have applauded him. If he had brought in the same kind of sensible, responsible and responsive budget, we on this side of the House would have said, "At least he has learned something from those many years he spent in opposition." No, he did not learn. What he had to do was fall

back on the philosophy—I am almost reluctant to mention this—of the Trudeau government.

The philosophy of that government, and I know I am oversimplifying, was: “We intend to spend this country into prosperity. We are going to raise the deficit, we are going to raise taxes and the people will be happier ever after.” The last chapter of that book shows that it did not work. If we could simply raise taxes, raise deficits and bring prosperity to the people—and that is why I am not in their party, I have to say to the members of the third party—there would not be—

Mr. McClellan: Because you are a reactionary, Mr. Pollution.

Mr. Brandt: —a poor country in the world. Listen carefully, my friend.

Mr. Martel: A billion for the bank. What is a billion to the bank?

Mr. McClellan: Here is Mr. Pollution. Talk about pollution.

Mr. Brandt: Let us talk about what that party is going to do about pollution. Mr. Speaker, I am debating unnecessarily. I want to get to the point.

The Deputy Speaker: Order.

Mr. Brandt: I am trying very hard—

Mr. Deputy Speaker: Will you keep addressing the chair, please?

Mr. Brandt: When one takes a look at the reduction in jobs, that alone is very frightening, but in addition to that the whole economy, as a result of this budget, is starting to grind to an absolute stalemate, to a halt.

Let me tell members what is going to happen. Two years ago the growth of the Ontario economy, which was so highly criticized by the members opposite, was 6.5 per cent. Last year, when there was a slight slowdown, we were able to achieve 4.5 per cent growth, which was criticized by those members opposite. They were highly critical of the fact that we did not have even more growth. Let me tell members of the third party who may feel very comfortable with the accord that they have signed with their friends over there that this government is now anticipating a level of growth which is about half what we were able to achieve last year.

When the 44,000 unemployed people who could have had jobs in this province go to the members' constituency offices to ask for a job, tell them it is the government's fault, because it is the one that is responsible.

Mr. McClellan: No, I tell them it is your fault. They believe me; they do not believe you.

Mr. Brandt: I would not go so far as to say they believe the member's party. I have heard some comments about the believability of the third party on some measures.

Mr. McClellan: What was the percentage of the Tory vote in my riding? The member's party got 11 per cent of the vote in my riding.

Mr. Brandt: I have to tell the honourable member I would be happy to campaign in his riding. Any time he wants to invite me, he should please do so.

One of the things I find absolutely appalling in this budget is that those who are unemployed and over 25 years of age have been abandoned by this government. They have been abandoned by the Liberal Party because there are no programs for small business to create more employment; there are no programs for skills training; there are no job creation programs that are directly applicable to that very important sector of our economy and that very important sector of the populace of Ontario.

I think that is an absolute shame because many of those people are young and have small, growing families that are just starting to school.

Mr. Martel: I know what the member's government did for us in Sudbury with all those growing families and with 15 per cent unemployed. You cannot suck and blow at the same time.

Mr. Brandt: If the honourable member thinks the Sudbury—

The Deputy Speaker: Order.

Mr. Mancini: I think we should have an election.

8:30 p.m.

Mr. Brandt: I have to remind the member for Sudbury East that Science North, which was one of the undertakings of this government, was brought about as a result of the concern we had for the people of the north. If he wants to look at the 15 per cent unemployment figure, let me talk to him in the House perhaps six months or a year from now when that unemployment figure has gone up very substantially as a result of the actions of the government across the way.

Let me tell of some of the other less than admirable things that will result from this budget. We are going to have fewer roads constructed in this province. The members should keep in mind that the deficit is going up; yet we are going to have fewer roads built because there has been a change in priorities. There will be less capital for hospital construction. A whole series of programs will have been cut by the government in

spite of the fact it increased taxes and the deficit. It is extremely difficult for me to understand how those things could be put together, but the fact is there will be reductions in essential, critical programs at the same time as they are spending more money.

I cannot forget during the course of my remarks tonight what I refer to as the 25 per cent solution. During the campaign, there were some comments about the fact that the \$4 placed on meals in this province for purposes of sales tax was an unconscionable move on the part of the government and should be removed. I watched as the now Premier, virtually with crocodile tears, talked about the poor little children going in and not being able to buy their Big Macs or their Burger Kings and whatever else because of the insensitive government of the day.

What did the Treasurer do? He came up with the 25 per cent solution. He moved the applicable tax, not to \$4, not to \$3, not to \$2, but to \$1.

Interjections.

The Deputy Speaker: Order.

Mr. G. I. Miller: You can get a good lunch for a buck.

Mr. Brandt: The member opposite says I would get a good lunch for a buck. That shows the 42-year-old mentality of the people on that side of the House. What they should have done was to bring in that kind of measure in the early 1940s. Probably back then one could have got a very substantial Shopsy's corned beef sandwich for a buck.

Mr. Andrewes: And soup.

Mr. Brandt: Maybe soup and coffee as well. What has happened now is that it is extremely difficult to buy a doughnut or a coffee for less than a dollar. One of my colleagues today, in a sense of fairness, attempted to send the Treasurer a hamburger. He tried desperately to find one that would sell for less than a dollar. To his disappointment he was unable to find one, so he had to cut one in half and send that to the Treasurer as an indication of how meaningful that tax cut is to the people of Ontario. They are just rushing out to take advantage of this new tax relief being offered by the Treasurer.

If he would apply the same 25 per cent solution to some of his other programs, we would have a solution to some of the problems in this province. As an example, at a time when it would be affordable, our party would agree to a denticare program. If the province can afford it, the government will get no resistance from our party

as long as it does not increase taxes and increase the deficit.

However, if we use the Treasurer's methodology with respect to the 25 per cent solution, we could fix every fourth tooth—it would be that simple—or we could clean every fourth beach or we could close up every fourth contaminated landfill site. The 25 per cent solution would have application right across this province and would be a meaningful gesture on the part of this government. It would be a very major step forward from what he has allowed with respect to the \$1 allowance on taxation for meals. That is absolutely ludicrous.

Every fourth pet would be nontaxable. This could be the start of something big. This could be the beginning of the method by which we correct all the economic problems of the world. It is a Nixonian solution that I really believe has boggled the minds of thinking Ontarians. How he came up with it I do not know, but he did.

There was a newspaper headline I thought summed up very effectively what this Treasurer has done to the province. I have to read it.

Mr. Mancini: Take your time.

Mr. Brandt: I will. I want to share these constructive comments with the member from my part of Ontario because I know he has looked forward to these for a long time.

The newspaper headline said, "If You Work, Drive, Drink, Smoke Or Save Enough To Buy A Home, You Are About To Be Nailed." Truer words have never been spoken, because this Treasurer has nailed the people of Ontario to an economic cross that is going to be on their backs for years to come.

It is interesting to note where the current government, this short-term, neophyte government has set its priorities.

Hon. Mr. Nixon: Neophyte?

Mr. Callahan: Fresh government versus stale.

Mr. Brandt: No, look it up. Neophyte as in brand new, untried.

Hon. Mr. Nixon: If I am a neophyte, you are a thespian. Put that in your pipe and smoke it.

Mr. Brandt: I had the honour of serving in the former government as the Minister of the Environment, so I was particularly interested in looking at the environmental initiatives of the new government when it came into office. Listening to the rhetoric during the campaign, I thought during the course of a few short months it would literally have cleaned up the environment of this province.

I am not so naïve as to assume my friend the member for Parkdale (Mr. Ruprecht) and his problems with the Junction triangle would be quickly cleared up. He has not said a word about that since he has been over there. Why has he not?

Hon. Mr. Ruprecht: On a point of order, Mr. Speaker: I do not think we should accept this honourable gentleman saying he has not heard a word. We have not only had some meetings, but the minister has indicated there will be no burning of polychlorinated biphenyls in the Junction triangle. That is better than the former minister did.

The Deputy Speaker: That is not a point of order.

Mr. Brandt: I have no intention of responding to what the member said, other than to indicate that at no time did any member of the government of which I was a representative indicate it was going to burn PCBs in the Junction triangle area. However, there are some members of this House, perhaps even present this evening, who found it necessary to encourage the environmental concerns of some of the people they represent.

It will be interesting to note the kind of improvements that are made environmentally as a result of the impact of this budget. It has provided very little, if any, money to the environmental protection fund, which was promised; or beach protection, which is a high priority with our party and which we funded when we were the government. We provided very substantive increases in dollars to the Metro Toronto area.

8:40 p.m.

Mr. Martel: Tell us about the spills bill.

Mr. Brandt: Does the member want to talk about that? I would be more than pleased to talk about that proposed legislation.

What this government has done is to cut out of the budget moneys that were needed for environmental protection and beach protection. I get some sense of frustration looking over at the newly appointed Minister of the Environment (Mr. Bradley) as he wrings his hands about every environmental problem. He talks about the problems of acid rain and sulphur dioxide emissions in our environment, but he has provided not one dime in his budget to do anything about it.

The federal government, which the members opposite take such great glee in criticizing, put \$150 million in its budget to fight acid rain. That is what the federal government did. This

government, which sits over there wringing its hands constantly about environmental problems, put absolutely nothing in its budget. They sit there piously on their haunches. They are a do-nothing bunch. They have done nothing for the environment and they are going to do nothing for the environment because they do not know what the problem is all about.

The Deputy Speaker: Perhaps you would continue to address your remarks to the chair.

Mr. Brandt: I am sorry. I got diverted for a moment.

In addition to some of the cuts in environmental programs I have mentioned, would members believe, after all the rhetoric we have heard about the environment from that side of the House, that they have cut capital projects by \$8 million in the Ministry of the Environment budget? In addition, in the area of projects which are environmentally important—I am talking about water and sewage projects, which are required by our municipalities right across this great province—they have reduced the budget by some \$21 million.

How can the government of the day suggest to us that it has a commitment to the environment when it is quite prepared to give the back of its hand to the environment, write it off as being unnecessary and unimportant and cut that budget right across the board? It makes little sense, if any, to me.

The Treasurer talks frequently about a certain Shell station in his riding, where he gets the advice from which most of the budget that he has put forward to this House came. I can almost conjure up a picture of the Treasurer as he rides up to Earl's Shell station in St. George in his designer jeans, his cowboy boots, his checkered shirt and a little twitch of straw hanging out of the corner of his mouth. He goes up there and sits around that hot stove to discuss some of the important matters of the day with his colleagues at Earl's Shell.

Mr. Andrewes: The fire in the stove has gone out.

Mr. Brandt: That is right. My colleague the member for Lincoln—a very astute gentleman, I am sure we all agree—says, "The fire in the stove has gone out." What was put forward in the Treasurer's budget did not reflect the positions taken by the same gentleman when he sat on the opposite side of the House. That is what is disappointing.

I can just hear what the boys at Earl's Shell are saying: "Bobby let us down." They truly believed; they had faith in that member, whom they sent to this Legislative Assembly. They feel

they have been let down by that gentleman. I have to share that feeling with them, because not only has the Treasurer let down the boys at Earl's Shell but he has also let down more than nine million people in Ontario.

My colleague the member for Dufferin-Simcoe (Mr. McCague), in his response to the budget, very admirably put forth the options that were available to the Treasurer. In a constructive way, I want to share some of those options with the Treasurer, some of those alternatives and some of the steps he should have taken in his budget if he were really going to do something meaningful on behalf of the people of Ontario.

One of the things the Treasurer could have done, which my colleague the member for St. Andrew-St. Patrick (Mr. Grossman), the former Treasurer, did so admirably, was to reduce the deficit. That is what the member for St. Andrew-St. Patrick did: he brought the deficit down and got big government off the backs of the taxpayers of this province.

The Treasurer could easily have frozen taxes at a time of increased revenues, when the economy was expanding, growing and prospering as a result of the very positive initiatives that had been put forward by my colleagues on this side of the House when we were the government. He could have frozen taxes, rather than increasing them for the people of this province, but he did not do it.

He could have encouraged private initiatives. He could have done more than simply pay lipservice to the private sector, which in many respects is going to disappear in this province if this kind of absurdity continues in terms of a budgeting process. He could have given the private sector an opportunity to grow, to develop and to create the kind of long-term, meaningful jobs that are important to this province, but he did not do that.

What he did was to rely more and more on government programs, on government initiatives and on the kinds of jobs that do not last in our economy, the kinds of jobs that result in people digging holes and filling them back up again, the kinds of jobs that mean absolutely nothing to the quality of life or the standard of living of the people of this province. He ought to be ashamed of himself for some of the things he has done in that regard.

I have gone on at some length tonight and I know there are—

An hon. member: Continue.

An hon. member: More.

Mr. Brandt: My colleagues would like me to share a few more comments.

Mr. Sargent: On a point of order, Mr. Speaker: I just heard in a newscast that the member for Sarnia (Mr. Brandt) has declared himself a candidate for the leadership of the Tory party. Is that true?

The Acting Speaker (Mr. Morin): This is not a point of order.

Mr. Brandt: Without responding to the honourable member, let me say that I hold him in great esteem, but with advanced age his hearing is going bad. I do not want to be unkind when I say this, but any rumours he has heard to that effect are totally incorrect. They are vicious rumours that probably I have started personally.

When I think of the Treasurer, I think of the chap who had a great deal of difficulty going to bed at night and getting a good night's sleep because he owed the tax department some money. There are people right across this province who are going to owe the tax department a lot of money because the Treasurer is extracting so many dollars from their pockets.

The Acting Speaker: Please address the chair.

Mr. Brandt: This chap was having a great deal of difficulty sleeping one night, and he decided when he got up that he would send \$1,000 to the tax department so he would be able to sleep somewhat more soundly. He put a little note in there to the Treasurer that said: "I am sending you \$1,000 because I cannot sleep as a result of my unpaid taxes. If I still cannot sleep in the days and weeks ahead, Mr. Treasurer, I will send you the balance of what I owe you."

The people of this province are going to have to keep sending the balance of what they owe this Treasurer time and time again, because the growth of the deficit and the growth in the tax requirements of this province are insidious things. Once we start on the downward slide, there is no end in sight. That concerns me deeply, because I was part of a government of the day that looked at financial responsibility as a prime concern and looked at the spending capacity of this province in a fashion that was second to none in the entire country.

8:50 p.m.

When one takes a look at the social programs, the hospitals, the schools, the roads and the development in this province, this party does not have to take a back seat to anybody. Let me tell my friend the member for Niagara Falls (Mr. Kerrio), whom I happen to like on a personal basis but who is so misguided politically, that if the people of this province made a small error on

May 2, they are going to correct that error at the next opportunity they have and put us back in our rightful place on that side of the House where we can conduct the affairs of this province in a responsible way as we had for 42 years.

I am going to wind up my remarks now, as I tried to do a few minutes ago. I wanted to be charitable to the Treasurer. The Speaker will note that during the course of my remarks I made some positive comments and some that the Treasurer could accept as being constructive. I did not intend or want to portray anything that even resembled meanmindedness.

I want to share these comments with the Treasurer because he has erred in his ways. He has made a mistake. He has fallen off the path of righteousness that he talked about so frequently when he sat on this side of the House. I can only hope that during the short time he drives around in that new limousine of his—

Hon. Mr. Nixon: It is the old car of the member for York Mills (Miss Stephenson).

Mr. Brandt: The Treasurer rides in it with such grace and decorum. As I see him zooming off to the great metropolis he represents, and as he sits in the back seat contemplating the major problems of the day, I want him at some point to think carefully about the importance of getting this province back on the right track again. We showed him the way, we showed him the method and we showed him how it was to be done, but he has not learned in all the years he has been in this House; and for that, his party is going to have to pay very dearly in the days and weeks ahead.

Mr. Morin-Strom: I want to commend the Treasurer for the effort he has put into this year's budget. I have one little remark to make regarding the comment of the member for Sarnia about looking at the example the Tories have set. I hope the Treasurer will continue to look at their example as one of what not to do with this province and will set a new direction for this province.

Mr. Brandt: Mr. Speaker, on a point of personal privilege: I wonder, just so it would be more convenient for all members of the House, if the member for Sault Ste. Marie would not mind sitting over there and holding the hand of the Treasurer—

The Acting Speaker: Order. That is not a point of privilege.

Mr. Morin-Strom: As I was saying, I hope these characters to my right are not used as an example of what is going to come about in this province in the years to come. We had 42 years of

their government. The people of this province wanted to see a change, and they are going to see a change. If the government does not produce the change, we will be producing the change after the next election.

I am very pleased to be able to comment on the state of the economy of Ontario and the direction in which I feel we should be heading. The Treasurer has put together quite a clever piece of work in this budget. Overall, I confess my reaction is positive. This is a budget I can support because it is the first step in changing the economic and social direction of this province. The people of this province are tired of 42 consecutive years of Tory rule.

We have all witnessed the wrath inflicted on ordinary Canadians by the federal Conservatives in their first budget last spring. They took from the elderly, the poor and average families to give more tax breaks and handouts to business and the wealthy. Here in Ontario, in this budget, I see a glimmer of hope that we are moving in the right direction.

The right-wing, elitist establishment, represented by our colleagues to the right, has lost control of this province. We see a move to make the tax system slightly more progressive, along with hints that the Treasurer will take us further in this direction in the next budget in the spring.

At the same time, there is confirmation of a number of new programs announced recently by the government. These include expanded youth training and employment programs, 10,000 nonprofit housing units, an additional 10,000 subsidized child care spaces, funding for medically necessary travel for northerners and the five-year, \$100-million northern Ontario development fund.

I applaud these initiatives and say thank heaven for the commitments the New Democrats got from the Liberals when we gave them the chance to run this province.

Otherwise, however, there is nothing new from the Liberals in this budget. I do not see a clear economic plan for this province; there is no industrial strategy and no sense of where we are going in the longer run.

The only new announcements in the budget are on the revenue side. The tax changes, on the whole, are fairer than we have seen from the Tories in terms of the use of progressive taxes, such as personal income taxes and corporate taxes, rather than increased use of regressive taxes, such as sales taxes and Ontario health insurance plan premiums.

I want to get into my recommendations and comments on where we, as a province, should go from here on both the revenue and expenditure sides of this budget. First, however, I would like to mention the importance of fiscal responsibility. I am pleased this was an important item in the accord between the Liberals and the New Democrats. I believe the Treasurer's budget is a responsible one and, on the whole, a balanced one.

I hope our deficit can be reduced in the future. Deficits are not for the benefit of the province in the long run. Interest expense is a notable waste of revenue, particularly in recent years, with the high interest rates we have faced in this country. It is imperative that action be taken, particularly by the federal government, to ensure that control of interest rates is implemented and that we can keep them as low as possible.

However, deficits can be justified if they are used to stimulate the economy and to provide an investment in the future of our province. I believe investments in infrastructure, roads, hydroelectric developments, hospitals and education are the kinds of investments that can be made and can be used to back up the borrowing of this province now and in the future.

Looking to the future of this budget and to next year's budget, I want to consider the individual items of tax revenue as discussed in the budget, and particularly in the chart on page 52.

I note that personal income tax for the year 1985-86 is projected to account for 24.8 per cent of the revenues of the province. I feel this is a progressive tax, and I hope the Treasurer will continue to use personal income tax in the future as a major and increasing source of revenue as compared to some of the other sources that have been used, particularly by the Conservative government in the past.

9 p.m.

However, in the area of personal income tax, much can be done to ensure that the share of that tax is distributed more fairly. The wealthy in our province in many cases are not paying a fair share of the tax burden. I believe we definitely need a minimum tax on earnings of more than \$50,000 in this province. I hope the Treasurer will implement such a minimum tax whether or not the federal government goes ahead with it.

There are other inequities in personal income tax. I hope the Treasurer will look at some of the tax write-offs and tax deductions that are used primarily by the wealthier in our society to reduce their level of taxable income so that, on

balance, we can get a fairer share of taxes in this province.

The second area in tax revenues is the retail sales tax. The chart indicates for this fiscal year that 18.4 per cent of the tax revenues are expected to come from the retail sales tax. This is a very regressive tax. It hits low-income earners much harder than high-income earners.

Hon. Mr. Nixon: We lowered that one.

Mr. Morin-Strom: I recognize that, on some items. I am pleased there was not an increase in the retail sales tax, as was proposed by the Conservatives to our right. Despite the fact there were a few exemptions added to those available now from the sales tax, I would like to see further exemptions for the necessities of life so that the retail sales tax does not apply to items that are essential parts of every household.

The third area of tax on the Treasurer's chart is corporate tax, and the indication is that 9.7 per cent of the revenue in 1985-86 will come from corporate tax. This is an increase from 8.9 per cent last year and seven per cent the year before, but even at the projected level it is an amazingly low percentage of the total tax revenue for this province. The major corporations of this province are not paying their fair share of tax. This should be looked at as a major source of tax revenues in the future.

The federal Minister of Finance, Mr. Wilson, has indicated that corporations in this country are paying an effective tax rate of 15 per cent on their profit, not the statutory rate of 36 per cent. This is an incredible reduction of more than 50 per cent due to their use of the available tax credits and write-offs.

These write-offs, or one might call them tax expenditures by the government, have to be looked at extremely closely. I believe we could generate considerable additional income from corporate taxes, which are paid more on the basis of ability to pay than are some of the other taxes, in particular the items that follow on this graph.

The next item is Ontario health insurance plan premiums, which are shown to account for six per cent of the revenue of Ontario. That is an extremely regressive form of taxation and I hope the Treasurer will use some of the additional revenues that I have indicated are available from the personal income tax area and the corporate tax area to move towards an elimination of OHIP premiums over the next several years. I hope to see some action on that item in the budget in the spring.

The final major areas of tax revenue for Ontario are the gasoline and diesel taxes, which

are projected to account for 4.6 per cent of the province's revenue, not as large a proportion as any of the other items but still a very regressive tax. Members of our party are particularly upset about the proposed increase, not only because it is an increase but because it is indicating the wrong direction to go on a tax like this.

The federal government recently announced it had implemented a major increase in gasoline taxes. I feel we should be going in the other direction on this consumer tax which tends to be very much a tax on a per person or per family basis. Every family that drives a car drives similar mileage in a year and the cost of heating a home is similar for most families. This is not a tax based on ability to pay at all, but is an essential part of living for every person in Ontario.

I hope we can see some major reductions in this tax, particularly recognizing the fact that in northern Ontario our residents face a much colder climate. We have much higher home heating costs in the winter. In transportation, we have greater distances to travel and we put more mileage on our vehicles. It is a penalty for small businesses, and for industries for that matter in northern Ontario, which have to transport their goods, products and purchases from longer distances.

Another form of taxation I would like to mention is not part of the provincial revenue. That is property taxes, which are not a source of revenue for the provincial government but are a very important source of revenue for our municipalities. That is their basic source of revenue. I hope the province can assist the municipalities to reduce the burden of property taxes. Property taxes are an extremely regressive form of taxation, not based on income. Much can be done to reduce the levels of property taxes and make them fairer.

Market value assessment, in particular, has been extremely unfair to property owners in this province. Its impact on Sault Ste. Marie has resulted in an increase in taxes for low-income neighbourhoods and a reduction in taxes in the neighbourhoods that typically vote Conservative. Rural taxpayers have been particularly hard hit in the Sault Ste. Marie area and many of them are having to give up property they have owned for generations in order to pay these taxes.

I believe market value assessment, if it is to be applied at all, should be applied only at the time of sale when the actual gain on the property is realized. There should not be a penalty for existing property owners.

I would also like to see a move towards taking the funding for education and social services away from property taxes and putting the burden back on the province, which has access to more progressive vehicles of taxation. At the least, we would like to see the educational funding moved back to the 60 per cent level that was historical.

One suggestion I would like to see considered is to give municipalities the choice of implementing either an income tax or a property tax so municipalities would have the option of gathering their taxes on the basis of income and ability to pay rather than, as is now the case, on the basis of property values.

9:10 p.m.

I hope these suggestions on various tax areas will be looked at by the Treasurer for his budget in the spring and that we can set off in a new direction towards giving the people of Ontario a more progressive tax system, one that will treat all Ontarians more fairly.

Finally, I would like to express my concern about the fact that no clear economic direction is set by the budget. There is no program for this government. There are a lot of items from the New Democratic Party-Liberal accord that are being implemented, but it is not tied together into a common statement of philosophy or overall objectives. There is no specific economic plan indicated for the province's future.

The people of Ontario want to know where we are going and how are we going to get there. We desperately need an industrial strategy to ensure growth in our economy. I hope the Treasurer will look at the province's need for an industrial strategy by the time of the next budget.

Let us face it squarely: unemployment remains the major issue facing this province. Other social issues pale in comparison in terms of the number of people affected. A government committed to providing a job for every able-bodied person desiring one will go a long way towards curing the social ills affecting our society. It is time we had a government that took on that responsibility. To accomplish it, we need an industrial strategy that takes account of our resources, our people resources, our natural resources, our technology and our investment base.

Unfortunately, our federal Conservative government also has no economic solutions other than its starry-eyed gamble on a free trade deal with the United States. It is time for Ontario to take a firm stand on that issue. I ask the Treasurer to look at what the impact of free trade as proposed by the federal government would mean

for Ontario and take a firm position on this issue that is critical to our economic future.

I am amazed the Treasurer could ignore that issue in this budget. It is the most controversial economic issue facing Canada today. I would like to include some of my own ideas on this vital issue. Canada now is once again into a serious debate on free trade with the United States. This debate has recurred regularly in Canadian history and the Canadian public has always come to the conclusion that Canada, as a hewer of wood and drawer of water, would be the real loser from economic integration with the United States.

The Macdonald commission report recommends that Canada negotiate a comprehensive free trade deal with the United States. However, even in a 2,000-page report there is no tangible evidence of the benefits to Canadians. Instead, we are asked to rely on their "leap of faith."

After reviewing the report of the federal task force and the Macdonald commission and having participated in 10 weeks of hearings on the select committee on economic affairs, I have serious reservations about our even discussing freer trade with the United States. However, that is not the direction in which Prime Minister Mulroney is taking us. I hope Ontario stands up for our interests on this issue.

On September 26 in the House of Commons, Prime Minister Mulroney launched the government's free trade move: "We hope that this action will lead to negotiations for a new trade agreement between the United States and Canada. We seek to negotiate the broadest possible package of mutually beneficial reductions in tariff and nontariff barriers between our two countries."

The process is now under way. We have passed the preliminaries, and all the stage setting and option manipulation that preceded the decision; we are now into the main event. We are no longer discussing an abstract possibility; we are confronting an immediate reality. This has made both clearer and less clear what is stake for us as a country. How the Treasurer and the Premier can issue a budget with no opinion on this major issue is amazing to me.

The issues now have become clearer for Canada because the United States is talking openly and precisely about what it wants from these negotiations. As usual, the Americans are up front and revealing. Before September 26, the Canadian government kept promising these talks would stop the US Congress from putting new restrictions on Canadian exports. This was sold as the one big plus of starting these talks fast.

Many of us did not believe it. Lumber producers, for instance, said they feared a Canadian free trade thrust would lead US lumber producers to push for special new restraints to cut back Canadian lumber exports. Those producers turned out to be right. Three weeks ago, key US senators wrote President Reagan saying the lumber export issue should be cleared up as a precondition to free trade talks with the United States. US Ambassador Niles has advised us to cut back our lumber exports temporarily to get a green light from Congress for free trade talks. Ironically, the first result of our free trade thrust is likely to be more restrictions on our sales to the United States.

Before September 26, the government also kept promising us these trade talks would win Canada exemption from the whole array of US trade institutions such as the United States International Trade Commission and countervailing duties and antidumping regulations that now are used to block off Canadian exports of items such as hogs and fish when we start to build up a US market. Joe Clark, Secretary of State for External Affairs, recently even repeated this expectation.

However, the United States again has been up front. Immediately after the Mulroney announcement, US Trade representative Clayton Yeutter said that he would not favour such a special exemption for Canada, and William Merkin, the deputy trade representative responsible for Canada, was even more categorical. "We do not believe," he said, "it will be possible to exempt any country from our countervailing duty or antidumping laws."

That is what many of us predicted before September 26 on the basis of the US-Israel free trade treaty which did not give Israel any exemption from these backdoor protectionist measures. Now US officials are proving our point. Some things have become clearer and these new insights suggest the government's manipulation of opinion to build its freer trade case was obviously misleading. It sold a bill of goods to Canadians that American honesty is now demolishing.

Other concerns in the debate have not been clarified; they are becoming murkier. While the US side has been blunt and up front, our government has resolutely, even self-righteously, refused to clarify for Canadians its key bargaining objectives and starting conditions. The Minister for International Trade, James Kelleher, has gone so far as to say, "In

negotiations, like poker, you do not show the other side your hand."

Mr. Wildman: You also do not show your friends, according to Jim Kelleher.

Mr. Morin-Strom: That is right. Joe Clark has reached for new dimensions in hyperbole, saying it would sell out Canada to be clear about what we feel should and should not be negotiated.

Especially frightening has been the government's unwillingness to say our cultural industries and key cultural policies are not on the table to negotiate. The Americans have said they have to be on the table. That is not the only area our government has kept murky. They have also been vague about agriculture, certain social programs and the auto pact.

One ends up convinced the leaked strategy document from the Prime Minister's office was genuine, in which the government's communications goals were summed up in the statement: "Benign neglect from a majority of Canadians may be the realistic outcome of a well-executed communications program. In these circumstances, it appears that the best strategy for the government is to adopt a low profile for the general public."

9:20 p.m.

This low-profile approach has been especially irresponsible with respect to the employment effect of freer trade. The government is trying a selling job, as the leaked document suggests, talking constantly about trade, meaning jobs. However, there have been no detailed sector studies released to outline the expected job disruption from free trade changes in an industrial structure and no projections of where new jobs may emerge.

I might point out the Ministry of Industry, Trade and Technology (Mr. O'Neil) has a study which details the fact they have now identified sensitive sectors. Public testimony by representatives from that ministry indicates, "We have identified sensitive and highly sensitive sectors which account for approximately 32 per cent of Ontario's manufacturing employment."

It looks as if about 270,000 jobs would be sensitive to any removal of whatever levels of protection there are between ourselves and the United States. I would certainly hope the government of this province will be releasing these detailed studies as soon as possible so that we may investigate and determine what the true situation is in Ontario.

Despite the efforts that have gone on in studies and published reports on free trade, many

questions remain unanswered. Which regions, industries and people would be the winners and which the losers in any free trade deal? Numerous companies and industries have indicated they and their workers would be devastated, but not even the free trade advocates can identify the winners.

Will the United States subsidiaries in Canada respond by investing in Canada or pulling up stakes to rationalize their operations? The indications are that we will lose a considerable number of jobs in the branch-plant area from plants that have been established in Canada simply to get around tariff and nontariff barriers.

Will we lose jobs currently guaranteed under the auto pact? This is a serious consideration, because so many jobs in Ontario are dependent on the automotive industry.

Will the family farm disappear in Ontario? Representatives of the Ontario Federation of Agriculture and the Ministry of Agriculture and Food have indicated that, because of climatic disadvantages primarily, agriculture in Ontario would be devastated. The family farm is likely to disappear and only through corporate farming would the province be able to compete with the United States.

Will we have to sacrifice unemployment insurance, environmental protection and workers' health and safety to conform with US practices? These are important considerations Ontario must be examining and dealing with in discussions with the federal government.

There is no question about the importance of US trade ties. About 40 per cent of Ontario's production is now exported to the United States. In recent years Canada has achieved spectacular export success in the United States, largely because of favourable currency exchange rates. Our trade surplus reached \$20 billion in 1984. Tariff cuts from the General Agreement on Tariffs and Trade mean there are now no duties on 80 per cent of our exports, or at least there will not be by 1987.

US-Canada trade is already one of the most liberal trading relationships in the world. However, the extent of our open trading relationship leaves Canada vulnerable to US protectionist factions or threats against key sectors such as steel, lumber and agricultural products. Further movement towards economic innovation would leave Canada even more vulnerable, not less.

There is no doubt discussions are necessary to resolve contentious nontariff issues. They are going on now and they will continue, but it is the focus of these discussions that is in question.

The free trade advocates claim a comprehensive freer trade pact would solve the risk from US protectionism. However, the people involved in these nontariff fights, from the forest products, steel and agricultural industries, have stated their preference for the status quo, not for free trade. Instead of a new, comprehensive freer trade initiative, we need improved management of the current trade situation. This could be accomplished by setting up a joint commission aimed at helping to resolve trade disputes.

In dealing with the United States, I would far prefer us to operate from a position of strength than from one of weakness. Brian Mulroney to date has shown nothing but weakness. I hope the provincial government will show some strength in its dealings with the feds and with the Americans. Brian Mulroney has given in completely to Reagan on issues such as the Foreign Investment Review Agency, the national energy program, cruise missile testing and acid rain. We have received nothing in return. These could have been strong negotiating tools.

Many free trade advocates suffer from a branch-plant mentality of Canadian inferiority and subservience to the US. In fact, many of them are former executives of Canadian subsidiaries to US companies, as in the case of both Brian Mulroney and Donald Macdonald. These individuals are used to saying "aye" to the Americans and they truly do believe in the American ideals.

The most serious problem facing Canada in this debate is the American definition of free trade. It bears no resemblance to what the words might mean to the average citizen. Continually we hear reference to the US desire for a level playing field. The American concerns are not tariffs but rather our economic and social policies. Any economic, social or political policy that would give a cost advantage to a Canadian firm over an American one is viewed by the Americans as a subsidy that must be eliminated under their definition of free trade.

There will be pressure on the Canadian government to match the United States in such fields as taxation policies, labour laws, environmental regulations and private ownership of our forests. It could mean the end of Canadian social programs, agricultural marketing boards, government purchase preference for Canadian-made goods and regional development grants. In short, the US and the Macdonald commission would like to see severe restrictions on Canadian autonomy in economic and social policy.

In this light it is clear that free trade poses a severe threat to Canadian sovereignty. Most serious, a free trade agreement would take away the Canadian option to develop a serious industrial strategy. More than any other recommendation, the select committee on economic affairs has heard witnesses stress repeatedly the need for an industrial strategy before we set out on a new trade policy.

The Canadian economy remains severely unbalanced. We run large trade surpluses in raw materials and semi-finished commodities that utilize our valuable resources while providing relatively few jobs. At the same time, we have a large deficit in finished manufactured goods that have high value added and are more job-intensive.

The major exception is the automotive industry, where the auto pact with its Canadian content requirement has ensured a fair share of manufacturing jobs. The Americans would not permit Canadian content requirements under a free trade agreement.

Here in Ontario we need an industrial strategy that reduces our dependence on foreign ownership and resource exploitation. Instead of trade liberalization, we should aim for greater self-reliance by focusing on import replacement and more Canadian-content requirements and by putting more value-added in our resources by manufacturing finished products here in Ontario, particularly right in northern Ontario, where so many of the resources are located.

I certainly hope the Treasurer of this province will look at these types of programs as an area in which this province must move in the future to ensure that we get the jobs we need. After all, the real issue is jobs. I believe that only through a coherent industrial strategy can we generate the new jobs that Ontario and Canada need. Under free trade most of the jobs will move to the US, and that is where our workers will have to move also.

9:30 p.m.

In my home community, a move towards free trade could have dire consequences. At Algoma Steel there might be limited short-term gains in US sales while the American industry is modernizing. However, I expect Algoma will lose more business in southern Ontario from the shutdown of branch plants forming much of our secondary industry than Algoma might gain in the United States.

Gerard Docquier, national director of the United Steelworkers of America, strongly feels that Canadian steel companies would lose in the

longer term, particularly in jobs. He has clearly stated that the jobs of steelworkers can best be protected by a regime of managed trade arrangements. Even John Allan, president of Stelco, has stated that the status quo is preferable to free trade.

Northern Ontario's opportunities for industrial diversification would be severely hurt if regional incentive programs were not possible under trade arrangements with the United States. The adjustment programs envisaged by the Macdonald commission provide assistance for workers to retrain and move out of the north to locations with better job opportunities. However, northerners would prefer to have the job opportunities near their homes so their families would not have to be relocated.

In the mining and forest product sectors almost all products are already shipped out of northern Ontario duty free to the United States, so there would be little benefit from freer trade. In fact, the Ontario forest products industry have told the Ontario trade review that they see no advantage in moving away from the status quo.

Of course, farming would be eliminated in a northern Ontario subject to free trade, and our only brewery, Northern Breweries Ltd., with four plants in the north, would have to shut down completely.

In summary, the risks of free trade for Sault Ste. Marie, for northern Ontario and for all of Ontario are considerable indeed. Serious questions have been raised about the benefits, the costs, the adjustment process and the threat to our national integrity. I feel that the ability of our children to live and work in Sault Ste. Marie and elsewhere here in Ontario would be seriously threatened by a move towards a comprehensive free trade agreement.

Instead, we need governments both here in Ontario and at the federal level that will implement an industrial strategy which will ensure that people in northern Ontario get a fair share of jobs from resource development. Our governments should be looking at ways to ensure that Canada becomes more self-reliant and that we develop strong industries to manufacture finished products from our natural resources right here in Canada.

In conclusion, I agree completely with Gerard Docquier's statement that free trade is at best a fantasy and at worst a social catastrophe.

I hope the Treasurer of this province will look at the economic direction in which he and his government are planning to go in the years to come and that by the time of his next budget he

will have a clear statement that will include an industrial strategy for this province and will ensure that the people of Ontario have the right to live and work in their home communities in productive employment. I look forward to seeing what his response will be in the spring budget.

Ms. E. J. Smith: It is my great pleasure to address the House tonight on the subject of the budget, but I would like to speak first to what I think is probably the most important part of the presentation made by our Treasurer, namely, the paper entitled Reforming the Budget Process. I do not mean by this to undermine the importance of the budget in any way, but what we see here is to me a major step forward in the democratic process that will be with us for a long time.

Having come, as I have, so recently from city council and its process of viewing the budget, I have always found it amazing that the secrecy of the budget was so closely held and treasured, on the surface of it, by at least one person. The reason for doing this is that people might take advantage of decisions that were made. Obviously, this has very little to do with most of the budget and the most important parts of the budget. It has nothing to do with the spending processes within the budget.

In the city where the public has the opportunity to be informed of the financial state of the municipality and to view the proposed spending that may be undertaken, one gets not only a lot more involvement of the elected people but, furthermore, a lot more involvement of the public itself. This has many good effects. For one thing, the involvement of the elected people makes them become more responsible and more responsive within the budget process.

As well as that, because the public does appear and make presentations at public meetings, the general public, through the processes of the media, becomes aware of the choices that are in front of the politicians, the decisions that must be made and the facts on which they are made. This has the important effect of creating a well-informed public that is prepared for and understands the decisions made at budget time.

Having such a well-informed public is very important to the democratic process because it makes people very aware that we give mouth service so often to the fact we pay for what the government spends. Therefore, we as the people must understand and accept in the long run the programs the government puts forward. Democracy is based on a well-informed public. This new budget process will go a long way towards creating reasonable expectations on behalf of the

public and towards its understanding and acceptance of the budget when it is presented.

Having said that and having put beforehand my very great admiration of this new budget process, I submit it will do exactly what I have suggested. First, it will tell us the state of the finances of the province and, second, it will allow us to share with the Treasurer and the public all the alternatives that can be put in front of us with regard to spending for the oncoming year.

Because I believe this will move forward and be accepted, since it makes such eminent good sense, I would suggest that what we have before us is the last of what one might call personal budgets that this province will see. This is the personal budget of the Treasurer and, as such, I am happy to say it reflects the very fine qualities of the Treasurer of this government.

In the first place, we were all most impressed the minute we sat down and started to hear the speech from the Treasurer. For once, we were being presented with a very readable, interesting and easily understood budget. I have recommended it to people in the public because I think they will enjoy reading it.

This is a credit to the kind of presentation and open thinking that went into it. This was not written for a few people and it was not written to fool the public. It was written to inform them and explain to them the decisions that were made. I admire it as a document.

9:40 p.m.

In another way, it expressed this same kind of openness in that it gave some opportunity for planning ahead, which has often been looked for, for such groups as municipalities and school boards that exist in large measure on our transfers. Here was an open statement to them of what they might expect, not only from this budget but from a budget ahead as well. This creates the kind of planning for those groups that will be very productive for the citizens in their communities, who are also our citizens.

A second way in which it expressed the personality of our Treasurer, if he will forgive my saying so, is its rather practical, down-to-earth approach to the problems. As do those who operate a business or a well-run household, he sat down and said methodically:

"Some of these things, dear, are nonsense. Suncor is nonsense. These land banks that were going to be big cities have not turned into big cities, and they are not likely to turn into big cities. These bad debts are never going to be paid. The money I owe my wife and she owes me

is not going to make much difference in our overall funding; so let us get rid of all this nonsense and start talking about what we really have to work with in this household."

That is what one does in a business and in a household, and it is what the Treasurer has done in our budget. I thank him for that. We got rid of a lot of nonsense, and we have started dealing with real facts.

On behalf of our Treasurer, I want to say also that the budget expressed—maybe to the sorrow of our friends in the New Democratic Party caucus—a rather cautious approach to some of the plans we have already put forward as our long-term plans.

We have recognized in the budget the promise of things to come, and we have seen in it the caution that not everything can be done at once. We see the freezing of health care premiums but not yet the hope for their reduction and removal. So too must we wait for the removal of dental fees for children and old people. We know these are still to come, because we saw the freezing of the health care premiums and a great deal of emphasis put on health care within the province.

We saw as well that in the examination of support for small business, our Treasurer said: "This small business development plan is working well, so we will increase its funding and make it work better. This other plan, the Innovation Development for Employment Advancement Corp., is not working at all; so let us forget it."

In another area, we did not see a complete removal of the tax on meals up to the \$6 point, as we had hoped—

Hon. Mr. Nixon: The \$4 point.

Ms. E. J. Smith: The \$4 point. Excuse me; it is just wishful thinking on the part of the citizens. We did see the tax's removal to the \$1 point; although it is only a small reduction when one looks at a whole meal, it represents a rather major cut in taxes for the province and therefore some substantial savings for the public.

Mr. Callahan: Worth \$37 million.

Ms. E. J. Smith: In fact, \$37 million. As well, it recognizes that an election hope was stated there and that the Treasurer has not forgotten it. It will be examined again when we can afford to do so.

Most especially, however, the budget represents what everybody in this House knows our Treasurer represents: a kind and foresightful look at the way our province must go.

In the area of health, on which our citizens put a high priority, we see an 8.3 per cent increase in

the money passed on for health operating costs in this province. It makes one smile to remember the bells ringing on that last fateful Friday before we went home, when there was some suggestion that this government would not recognize the importance of health care. We do, and we have recognized it.

Health care in a preventive way has been particularly recognized for seniors in the \$11 million that is put aside for home care for them to improve their health outside of institutional care.

In education, there is a forward look to improve the excellence in our school system at the university and college levels. As a former governor of the University of Western Ontario, this is something I know is much appreciated. At last this need for excellence is being addressed and recognized.

The problem areas of the province have also been addressed in special programs for business in the north and east, where they are most called for, and in programs for youth, who are the most disadvantaged in finding jobs. The areas that required special consideration did get special consideration.

The most important area of all for so many people, housing, has been looked upon as one of the major areas for funding in the coming year, and we look forward to the programs that will be introduced by our minister.

I cannot think of any area that affects more people in a more difficult way. I can remember when I first got married, the rule of thumb was that 20 per cent of income was spent on shelter. Now, for those in the lower-income bracket, 50 per cent may be spent, and for those in the middle-income bracket, 30 to 40 per cent may be spent. This is not the way it used to be, and it should not be tolerated.

Housing is probably needed most intensely when one is youngest and earning least. Housing is a major need when there are children running around. Once into the higher-income bracket, assuming that income went up as time went on, housing needs have decreased. For our wealthiest people, often the most expensive housing is in Florida.

It is towards those in the lower- and middle-income brackets that we must address the housing programs, and we will continue to do that. It is because of the need and the right of these people to have a place to live and raise a family that housing must become one of our major thrusts.

The main area where we see compassion and care for the less-well-off is in the area of revenue,

where 390,000 families will be dropped off the bottom of the tax rolls and the taxes will be made up by those in the top income brackets. This is exactly as it should be.

I am sure it is a shock to all of us when we read statistics that prove that the poor in this country are getting poorer and the rich are getting richer. That was not intended for a democracy of this type. It is not a direction we expect the world to go in our country. I am delighted, and I am sure all parties share my pleasure, to see this province addressing in a major way an equalization rather than a separation of income levels in the province.

It is with great pride that I am able to say here in the House tonight that I commend our budget to the members. I am sure they will treat the individual portions of it with respect.

9:50 p.m.

Mr. Pierce: I could ask the Treasurer if he does all his own commercials, but I will not do that.

I am pleased to have the opportunity to speak in this debate. The people of the Rainy River district have been telling me what they think of this budget. There is a great deal to say, but I will try to be brief.

Let me begin by saying that, to my mind, a budget must be a positive guide for action. A budget should inspire new activity in the private sector. It should say to the investor, "Bring your resources here and you will get a fair return." Does this new budget do any of these things? The answer is no.

I represent a riding in the northwest of our province. The Rainy River district can be described as a rural area. We depend on tourism, mining, pulp and paper, and trapping to make jobs.

Look at the major communities in my riding. There is Fort Frances, with a population of 9,000. The Fort depends on pulp and paper for a living, but tourism plays a big part as well. The Fort is a major fly-in centre for outfitters and, of course, it is a busy border town.

Atikokan is the next largest community; it has a population of about 4,500 and owes its past prosperity to the iron mines. Tourism plays a role here as well, as does secondary manufacturing and resource management. Atikokan is right next door to Quetico Provincial Park, an enormous wilderness area linked with Superior Park in the neighbouring state of Minnesota.

I note with much interest that the Liberals campaigned very strongly on the fact that, as

their commitment to the north, they would equalize gas and milk prices. A recent survey, copies of which we all have on our desks today, showed that the price of four litres of milk in the Rainy River district is anywhere from \$4.19 to \$4.30, while the price in Hamilton is \$2.44. The price in Hearst is even lower at \$3.89.

The Liberals said: "Yes, northern Ontario, we will give you a fair deal on milk and we will give you a fair deal on gasoline. Yes, we will freeze the tax on gasoline." The only place where the price of gas is going to be frozen is before one gets it into his tank.

Ignace, with a population of around 2,000, comes third. It is located on the Trans-Canada Highway. Its local economy depends on forestry, mining, trapping and tourism as well as on a strong commitment to the creation of secondary industry.

Finally, there is Rainy River, a community of a little more than 1,000 people. This is farming country. The Rainy River valley has some of the most fertile land in Ontario, a fact that may surprise many southerners. Again, tourism plays a role in the local economy, with the nearby Rainy Lake and Lake of the Woods.

Altogether, the Rainy River district has a population of about 23,000 people. Slightly more than 14,000 of those people live in the towns and cities that dot Highways 11 and 71 and the Trans-Canada Highway, the roads that provide the framework for settlement in the area. These are the people I represent. These are the economic interests that are important to Rainy River: lumber, pulp and paper, mining, trapping and tourism. It is from this viewpoint that I will speak tonight.

When the Treasurer said in his opening remarks that this budget would develop a fresh, comprehensive approach to industrial policy, I was hopeful; I really thought he meant it. When he talked about wanting to revitalize the tourist industry, I was pleased.

However, when the Treasurer got down to details, I realized that all those fine-sounding words meant absolutely nothing. I looked in vain for the comprehensive development plan. I looked in vain for measures to revitalize tourism. I looked in vain for programs to encourage new growth and development in the north.

Mr. Callahan: Was it the Tories' speech from the throne or our budget the member looked at?

Mr. Pierce: I am looking at the Liberal government's budget.

I even looked for promises made to the north by the Liberal Party in the last election campaign, and where are they?

An hon. member: They are not there.

Mr. Pierce: No, they are not. The question is, were the promises kept? No, they were not. Do the people in northern Ontario know that? Yes, they certainly do.

This budget abandoned the north. It has cut off our communities and our economy from the rest of the province. It has ignored our special interests and our needs. It is a slap in the face to all the northerners who expected justice from this minority government.

I tried to approach this budget with an open mind. I tried to find the positive aspects and a ray of light, any threads of hope.

An hon. member: Where was it?

Mr. Pierce: It is fine for the members on the other side of the House to laugh. In my area, the unemployment rate today is 32 per cent, if that is a joke to those members. That percentage will increase every day we are in this House.

I searched hard and long, and at last I can say I have found one positive point in the Treasurer's budget.

An hon. member: The end.

Interjections.

Mr. Pierce: My friends should settle down for a minute. I want the Treasurer to get comfortable in his seat while I give it to him.

I want to congratulate the Treasurer for breaking the Liberal promise to equalize hydro rates. As has already been proved by my colleague the member for Sudbury (Mr. Gordon), equalized hydro rates would have had nothing to do with equalizing them; they would have gouged the northern electricity users. Why the Liberal Party would want to identify itself with such a losing image in the north is beyond understanding.

An hon. member: What part of the north does he come from?

Mr. Wildman: What is he talking about? That would have charged more for high use, not equalizing rates.

Mr. Pierce: That is right. That is what I said.

Mr. Wildman: He said "equalizing rates."

Mr. Pierce: I said the Treasurer broke that promise, because it was his pledge during the campaign that the Liberals would equalize the rates.

Mr. Wildman: I think my friend is confused.

Mr. Martel: Who wrote his speech?

Mr. Pierce: I did. This is the only good thing I can find in the budget. I wish I could find more. I wish there were more because minority govern-

ment should work for the north and the people of the Rainy River district as much as it works for the rest of the people of Ontario.

There is more to say about what this budget does not do for the north. There is more to criticize than to praise. If this is the best the government can come up with after 40 years in opposition, then I suggest it go back to the drawing board.

Let me remind my friends across the way of some of the realities of government. They cannot govern simply to please some 20 per cent of the population, no matter what schedule or prospective timetable they may have involved themselves in. They must govern for all of Ontario. They must be sensitive to the needs of all our communities, regions and districts.

There is none of this sensitivity in the Treasurer's budget. In the north it makes Liberals blush as scarlet as the tie of the Premier to think that this budget was the creation of a Liberal administration.

The government has failed the north and the people of the Rainy River riding. It has ignored its election promises and presented us with higher taxes, disincentives and roadblocks to continued growth. It has presented us with higher gasoline, land-transfer, personal-income and corporate taxes and increased fees for driving licences.

10 p.m.

Take a look at how the Liberal budget has affected drivers in the north. Unlike in the south, driving is a necessity in northern Ontario; few people walk to work in the north. Unlike in the south, driving is not a luxury; it is a basic for survival. How many people in northern Ontario get a chance to walk to work—

Mr. Laughren: I walk.

Mr. Pierce: —other than the member for Nickel Belt (Mr. Laughren) and the trappers? I am sorry, even the trapper does not walk any more; he uses an all-terrain vehicle.

Interjection.

Mr. Pierce: There are still a few left, but that is coming to a very quick end.

Mr. Callahan: Why not say something positive?

Mr. Pierce: How can I? I am trying. I am looking. I have looked at everything I can, all the information, the budget, and I have searched hard for something positive. I am sorry. The only thing I can see that is positive about the budget, I would not want to say here.

In the campaign, the Liberal Party said it would equalize the price of gasoline. This may have resulted in lower prices for some of the northern communities. Today, at the gas pumps in northern Ontario, we are paying 60.9 cents per litre. If Liberal members think that is equalization—

Mr. Philip: Are you going to vote for that?

Mr. Pierce: No. I will vote against the increased gas.

Did they follow through on the promise on equalizing the gas prices? No. They did the exact opposite. They have taxed gas higher than it would have been taxed by a Progressive Conservative administration. They have gouged the drivers of northern Ontario.

They have raised the fees for licences. This would be understandable if they were going to improve the roadways. But are they going to improve northern Ontario roadways? No. There is no indication of any kind of improvement in this budget. Less is budgeted for road improvement by this government than was proposed by the Progressive Conservative government.

An hon. member: That is impossible.

Mr. Pierce: Take a look at it. They have made it more expensive to drive, more expensive to buy gas, and they are going to make the roads more uncomfortable to drive on. That is not progress; that is dereliction of duty.

What about the farming communities? What can I show the farmers in the west of my riding? Can I show them action on the Liberal promise to boost the funding for tile drainage programs? Can I show them that, I ask the Minister of Energy?

No, I cannot. The Minister of Agriculture and Food (Mr. Riddell) should hang his head in shame over the tile drainage program. What can I tell the cow-calf operators? It may come as some surprise to the gentlemen on that side of the House that we have cow-calf operators in northwestern Ontario.

Can I tell my constituents that the Liberals are dragging their feet in introducing the Tory stabilization program?

Mr. Callahan: Tell them the truth.

Mr. Pierce: They know the truth.

What does the budget give the farmer? Other than warming up the already announced programs, the only new undertaking is a \$6-million program to encourage the farmer to leave his land. The poor farmer will get it in the neck anyway because of the increase in the land

transfer tax. Whatever they give them, they are going to get it back.

When the Treasurer was simply the member for Brant-Oxford-Norfolk, he said the government should boost the agricultural budget to equal two per cent of all government spending. The member is now Treasurer. He could follow through with his promises, but he has not.

The only things the farmers of the Rainy River district will see from this budget are higher taxes: higher corporation taxes, higher personal income taxes if they are fortunate enough to make any kind of a living and higher land transfer taxes if they decide to sell or can even find a buyer. There is nothing to help our farmers with new assistance for food processing and storage to reduce the province's dependence on imported products. There is nothing for the northern consumer. There is nothing to reduce the price of milk in the north—another promise from the spring campaign.

What about natural resources? What can I tell the people of the Fort when they ask me what is in the budget for the forest industry?

Mr. Martel: Two trees for one.

Mr. Pierce: I am glad the member brought that up. Let me tell him what has happened just since we have had a new Liberal government. The greenhouses were planned and the tenders were called; the Liberal government came into power and cancelled the greenhouses. Is there something wrong with having greenhouses where the trees are growing? Is that what we are saying?

Interjections.

Mr. Pierce: Are we supposed to build all the greenhouses in eastern Ontario? Is that what the member wants, or does he want them all in Sudbury?

Mr. Martel: The member had better look at where they are located.

Mr. Pierce: I know where they are located. They are located where the trees are growing and where the trees are cut, where they should be.

This budget says absolutely nothing about our forest resources. At a time when other provinces and the federal government are increasing their concern about our nation's forest heritage, this Treasurer closes his eyes and hopes the problem will go away. The \$3.7 million increase in the Ministry of Natural Resources budget will not even begin to cover the Liberal promise to regenerate every acre of cutover land. The Progressive Conservatives committed \$10 million to this. Nothing shows more graphically the

difference in commitment and sensitivity to the needs of our forests than the difference between these two figures.

What about mining? What can I tell the people of Atikokan and the people of Ignace, who are supplying the mining operations, when they ask what is in the budget for them?

Mr. Pouliot: Tell them about Hemlo.

Mr. Pierce: Yes, I can tell them about Hemlo. I can tell them I have good news. I can tell them the Treasurer has simply played follow the leader and passed into law proposals on the Mining Tax Act that were in the works, thanks to the previous Miller administration. Can I tell them anything more? No.

Hon. Mr. Kerrio: Tell them about Mulronney's iron ore mine. Tell them how Mulronney ran his business.

Mr. Barlow: Is that in Ontario? Talk about Ontario.

The Deputy Speaker: Order, the member for Niagara Falls and the member for Cambridge (Mr. Barlow), please. The member for Rainy River has the floor.

Mr. Pierce: Can I tell them anything more? No, there are no new incentives for mining. There is nothing to say to the people who spent millions, and I mean millions, exploring for gold and other minerals in the Rainy River district. What this government has done to the gold mining communities after slapping a tax on the Maple Leaf gold coin is beyond description. How is that an incentive to becoming involved in mining?

What about tourism? What can I tell the tourist operators throughout my riding about the tourism problems dealt with in this budget? I can tell them this government slashed the budget of their ministry.

Mr. Callahan: Damned right we did. We saved \$5 million that the former government gave away.

Mr. Pierce: That is great. It is interesting that in the 1985 campaign the present Premier campaigned on how many jobs the tourist industry creates in Ontario and how many jobs the reduction in tax on meals of less than \$4 would create; something like 6,000 jobs for the sake of \$3 meals. Where did that go? Where is the incentive to the tourism industry?

I can tell them this government has upped the price of alcohol, encouraging more people to buy their beverages in Minnesota, along with their gas and oil, prior to entering Ontario. In Ontario they can buy their bread and get their water, and

if they get it together for less than \$1 they do not have to pay any tax. That is the gift of this province towards the tourism industry.

Interjection.

Mr. Pierce: We are encouraging the pork-and-beaners. We are telling pork-and-beaners to bring their stuff with them. Does the member not agree with that?

The Deputy Speaker: Would the member address his remarks to the chair. There are likely to be fewer interruptions.

Mr. Pierce: I am sorry, Mr. Speaker.

I can tell them the Treasurer has kept the tax rebate for out-of-province visitors. That is a good idea, a good suggestion. However, then he has slashed the advertising budget so that fewer people from out of province will know what great attractions Ontario has to offer.

There is only one thing I can tell the tourist operators about this budget. This budget has brought a new meaning to the slogan "We Treat You Royally." This government has given the tourist industry the royal treatment. It has royally soaked a major growth industry and one of the largest job creators in Ontario, especially for young people. Where was the Minister of Tourism and Recreation (Mr. Eakins) when this budget was being drawn up?

Mr. Lane: Where is he tonight?

Mr. Pierce: That is another question.

If this is how the Minister of Tourism and Recreation protects his industry, which depends on his support and leadership, he should resign. The tourism industry has nothing to thank the Treasurer for in this budget.

What about our environment? The quality of our air, our water and our soil is a concern very close to the hearts of northerners. What is there for the environment in this budget? Thanks to the Treasurer's budget, this government has reduced capital expenditures and loan money available from the ministry. Communities hoping to expand their water treatment services will be left holding an empty bag thanks to this government. With the concern over contaminants in Rainy River, this budget offers no hope of increased environmental responsibility. In fact, the Treasurer has simply turned back the clock.

The Treasurer has done more than turn the clock back when it comes to northern development. Taking inflation into account, the total budget for the Ministry of Northern Affairs and Mines has been slashed by \$1.3 million. The members opposite will talk about their five-year, \$100-million program for northern development,

but this program offers substantially less than what we were offering and it depends to a far greater degree on private investment, investment that will be uncertain about coming to Ontario now that the Treasurer has made veiled threats about a capital gains tax in this province.

Hon. Mr. Nixon: They were not veiled.

Mr. Pierce: He is in favour of capital gains in Ontario.

What about community improvements? What can I tell the local councils of Atikokan, Fort Frances, Ignace and Rainy River? Can I tell them the Liberal government will cut transfer payments by more than half?

This budget does nothing to provide jobs for the north. Sure, the Liberals will talk about jobs coming in as part of their housing program, but look again. Given the content of the Liberal budget few houses will be built in northwestern Ontario. We will be lucky to keep the jobs we already have in the construction industry. Where are the jobs for the people of the north? Where are the jobs for the young and the unemployed? The Treasurer has left them standing by the roadside.

Maybe the Treasurer expects northerners to get sick so they can fly south and take advantage of the travel allowance for medically necessary travel. Whether we get sick or not, if we are looking for work we will not find it in the north thanks to this budget. Maybe the Treasurer expects us to come south and build houses in Toronto. Is that what the people of Sudbury are to look towards? They can come to Toronto and build houses; that is where the jobs are.

This is not a budget for Ontario. This is a budget framed by a government that is out of touch. There is nothing here for the jobless. There is nothing here to encourage real growth. There are only higher taxes.

Earlier this year newspapers carried a story about the death of the Northern Ontario Heritage Party. I was never a supporter of that organization. The north belongs to Ontario. However, this budget will do more to fan a feeling of betrayal than the Northern Ontario Heritage Party ever achieved.

The budget talks about prosperity and new jobs, but those jobs and that prosperity will not come to the north thanks to the Treasurer. For 40 years the members opposite claimed they could govern and that they could govern better. After 40 years we get this sorry excuse for a budget. For goodness' sake, they should get their act together. They should go back to their drawing boards, write a better budget and try to remember that the north is just as much a part of Ontario as

Metro Toronto and the riding of Brant-Oxford-Norfolk.

Mr. Allen: It is a pleasure to rise and participate in this budget debate in this session of the Legislature. I am not sure what one says following the former speaker other than to suggest that perhaps he ought to recognize a little more what is positive in the budget—this is something I will come back to—and also what has to do with past Tory budgets.

I was almost as much interested in the document *Reforming the Budget Process* as I was in the budget itself, because it does seem to me that the way in which we handle the budget in this place, review estimates, handle provision for supply, use Management Board orders and handle the budget debate itself all need a considerable amount of attention. I am pleased to see that this document heralds what will be happening in the course of this session and that perhaps next year we will be into some new procedures in this regard.

I want to echo the words of the member for Scarborough-Ellesmere (Mr. Warner), who, when he was contributing to the debate yesterday, paid some tribute to the straightforward language of the document. The document does not attempt to lay a heavy trip on us with some kind of fancy rhetoric, pretending that it somehow portrays or lays the groundwork for a magnificent transformation of the great Ontario economy. If that is the purpose of a budget, I do not want to hear it. That is not the purpose of a budget and I did not hear it. I want to pay tribute to the honesty it reflects.

In more particular terms, I like the straightforwardness of some of the comments, for example, on the triple-A credit rating. At last the legend, the mythology of triple-A is dispatched with suitably few words. In practical terms, the triple-A credit rating has little significance. Having a triple-A credit rating does not provide needed jobs for young people, nor improve access to affordable housing, nor improve the quality, affordability and availability of health care. Truer words were never spoken, and I praise the Treasurer for saying so succinctly and directly in the budget.

I do not want to echo my colleagues in this party who have spent some time while participating in the budget debate in commenting upon the various elements of the accord that have found their way into the budget. I am happy to see so many of them there. I am glad to see progress is being made on the other side in a responsible response to the accord and the agreement that

was made. I am pleased to see youth programs at least inching upwards, additional housing units, additional day care provided and so on.

I want to make some remarks about the general character and overall cast of the budget and then relate that to some elements of education budgeting that I think we forget at our peril as we move ahead into a new regime and new budgets.

10:20 p.m.

The first thing I want to say about the budget is that while it does have some departures in some respects in style and occasionally in substance—a little more on the revenue side than on the expenditure side—from past Conservative budgets, none the less, our Treasury critic was correct when he noted in the media a few days ago that essentially the Treasurer has produced what is, after all, a Progressive Conservative budget.

As I look at the charts, the overall proportions of this budget, the shape of it, I am very much impressed with its paternity. I am not going to criticize the Treasurer for not launching a radical departure in his revenue or spending patterns. Obviously, for him to have done so in a radical departure from the past could very well have had very upsetting impacts on various sectors of the economy and on recipients of transfer grants and so on in both the upward and the downward scaling of priorities.

We make those changes rapidly at our peril, so I am not going to be critical of the Treasurer for not having departed in radical fashion from past performance in that regard. However, to say this is also to say that when we come to next May's budget we are going to look for certain kinds of directions to be much more solidly established.

Let us look at the proportions of expenditure and members will see what I mean. If we look at the proportion devoted to health, we see that for five years running health has had a constant escalation in its priority in the spending of the governments of this province. That was the case with the past Tory regimes; it continues with the present Liberal government.

If we look at education, schools, colleges and universities, we see that year by year there has been a downward scaling of priorities in terms of the percentage of the budget devoted to those objectives. It moves from 21.3 per cent five years back to 18.8 per cent this year; again, a budget commitment that lies solidly in the tradition of the past.

In resources and economic development, I am sad to say there has been a steady downward trend year by year, beginning with 19.5 per cent

of the budget and following, five years later, with 16.5 per cent. The obvious message has to be read into that: this government at this time has not made any very significant moves forward or backward—perhaps a little bit backward—with respect to economic strategy and development proposals. I want to come back to that in a moment or two.

Community and social services is somewhat ahead of where it was back in 1981-82, but none the less for the past three years it has been substantially marking time in terms of priorities. General government has been roughly similar in recent years. Justice has the same priority. Public debt interest is up a little.

If one looks at the overall contour of this budget, one finds that essentially it retains the pattern of Tory budgets past. One looks at some other elements of it and, of course, there is not much change.

I referred to resources and economic development as not having made any upward movement. One sees the pattern reflected if one looks at capital investments. There is no increase; rather, there is a steady state with respect to capital investments; indeed, perhaps some backward steps.

One might have looked for some new job creation and for some industrial strategy to be reflected in capital investments in this province. Not only is none there, but also what there was from the past government seems to be disappearing, with the industrial and technological development commitment dropping pretty radically in capital terms.

The same is reflected if one looks at the Ministry of Industry, Trade and Technology. There is no increase in that ministry to speak of, and again no hint of an industrial strategy in the making or of any greater commitment in that department.

In some other respects, the budget does not change shape. For example, the commitment of expenditure as a proportion of the gross provincial product was 16.6 per cent last year; it is 16.6 per cent this year.

If one looks at the kinds of things that governments pat themselves on the back for: let us look, for example, at the chart "Increasing Efficiency in the Ontario Public Service: 1981 to 1985." The Tory government constantly told us how it was, on the one hand, increasing services to people and, on the other hand, reducing the number of people providing those services.

We kept hearing from those who tried to provide that service, ministry by ministry and

service by service, about how increasingly difficult it was to maintain the level and quality of service to the people of Ontario.

Yet here we see the same chart again in this budget, by yet another government, which shows proudly how the population of Ontario is taking off somewhat skyward and yet the number of public servants continues to decline. One can only conclude that it is taking pride in the fact—as did past governments—that there is a squeeze going on on the service provided to the people of Ontario. I am not particularly happy to see that.

That Conservative aspect of the budget continues in the way in which the budgets of the ministries of Education and Colleges and Universities have been handled, and the commitments made by the Treasurer in those ministries.

Let me say I am quite happy to see that the Treasurer has begun to allow all those entities in our province which receive transfer payments some opportunity to plan ahead by offering them some indication of where funding is to go for at least a further year down the road. That is going to be appreciated by all those agencies, even if the commitments of funds might not be all that they would have desired.

Let me note what has been happening in the education sector in the budget. Basic operating grants for universities and community colleges are up by four per cent in the coming year. In the following year, by extension of the transfer commitment the Treasurer has made, there is yet another four per cent. There is an allocation of \$80 million for colleges and universities in excellence funds. Funding for the Ontario student assistance program—especially welcome—will be increased by eight per cent. An increase of the formula tuition fees will be held to four per cent for the coming year.

There is \$108 million to be provided this year to restore advances to school boards to their traditional seven per cent level. One has to argue that while that \$108 million might show up as an additional expenditure this year in the provincial budget, when the receiver at the other end, the school board, looks back a year hence on what it has received from the government, it will not be any further ahead. There has not been any absolute commitment of new money.

General legislative grants to the school boards are up by 5.4 per cent next year. The regular capital support program for education has been allocated \$67 million next year, and \$25 million has been provided to top-priority capital projects in rapidly growing communities.

Funding for the extension of provincial support to separate secondary schools will rise to \$107 million next year, and capital funding of \$17 million will be allocated in 1986 to accommodate the expansion of separate secondary school systems.

I want to go on and make a few remarks about that program of funding for various levels of education. I want to do that with respect to both the way in which it is transferred and the consequences of the transfer, and I want to look at some of the background of educational financing over the past decade so we can put what

is happening in this budget in the perspective of time and past budgets. Then we will be able to see whether we have made any advance with this new government's new budget.

We are approaching 10:30. Before I get into that program of presentation, perhaps it would be more suitable for me to observe that we are reaching 10:30 of the clock.

On motion by Mr. Allen, the debate was adjourned.

The House adjourned at 10:30 p.m.

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Legislative Assembly of Ontario

First Session, 33rd Parliament

Friday, November 1, 1985

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Clerk of the House: R. G. Lewis, QC




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LEGISLATIVE ASSEMBLY OF ONTARIO

Friday, November 1, 1985

The House met at 10 a.m.

Prayers.

TORONTO APARTMENT BUILDINGS CO.

Mr. McClellan: On a point of order, Mr. Speaker: This is pursuant to standing order 27. Last Friday I asked the Attorney General (Mr. Scott) a question about the Toronto Apartment Buildings Co. Ltd. I asked for a report on whether he had been advised of allegations of an attempted extortion, whether he would initiate a police investigation and whether he would also report on the role of the member for Parkdale (Mr. Ruprecht), his cabinet colleague.

I am rising on this point of order to ask you to determine whether, pursuant to standing order 27(i), the minister is declining to answer the question.

Hon. Mr. Scott: The point of order raised reveals that the honourable member and I had a different view of the meaning of the question. The question was relatively long, and he obviously thinks he asked me about the substance. I understood him to be asking me whether I had heard a radio program in which certain things had been said. I indicated in response that I had not heard the program but would do so before making a response.

When the appropriate time comes, if the honourable member wants to ask the question that he now puts, I would be delighted to respond to it. I ask you not to deal with the question posed under standing order 27(i), Mr. Speaker.

Mr. Speaker: That is a very interesting point. I am sure now that you have had your discussion, it is all settled.

ESTIMATES

Hon. Ms. Caplan: I have a message from the Honourable the Lieutenant Governor signed by his own hand.

Mr. Speaker: The Lieutenant Governor transmits estimates of certain sums required for the services of the province for the year ending March 31, 1986, and recommends them to the Legislative Assembly, dated November 1, 1985, and signed by His Honour Lincoln Alexander.

STATEMENTS BY THE MINISTRY

CRIME PREVENTION WEEK

Hon. Mr. Keyes: I am sure all honourable members will be interested to know that next week is Crime Prevention Week in Ontario and will be marked by a number of special activities across the province.

It was only last year that the Ministry of the Solicitor General took the initiative and established Crime Prevention Week as a testimonial to police forces across Ontario and members of the public who have a common cause, that of making our province a safer place for all of us. The results of this initiative have been most heartening. An impressive dialogue has developed between the police and civilians who are dedicated to reducing the rate of crime in their communities.

Neighbourhood Watch programs are burgeoning everywhere across Ontario: More and more citizens' organizations devoted to portraying drinking and driving as the criminal act that it is, are springing up and thriving. Real estate agents and Ontario Hydro field workers are organizing to alert police about suspicious situations they encounter during their working days. Senior citizens are being taught how to avoid falling victim to criminals, and youngsters are learning how to steer clear of situations that could result in child abuse.

A great collective and co-operative effort is being made in the field of crime prevention. Next week I will be visiting 11 communities across the province to acknowledge the contributions of both the police and the public in this cause. More than 200 people and organizations will receive the Solicitor General's crime prevention awards, a gesture by this government that recognizes leadership and achievement in the field of crime prevention.

The awards will be presented at seminars on crime prevention in Kenora, London, North Bay, Peterborough, Sault Ste. Marie, Thunder Bay, Windsor, Cornwall, Kingston, Brampton and Burlington. I believe that members of this House have already been invited to attend the seminars in their respective areas.

The success of this program is due in no small part to the work of the Solicitor General's Advisory Committee on Crime Prevention, whose chairman is my Deputy Solicitor General, John Takach, and which includes members from the private sector as well as representatives of the police community.

Our theme for Crime Prevention Week this year is "Get Involved—It's a Way of Life." I am certain all members will join me in encouraging all citizens of Ontario to participate.

ONTARIO FILM DEVELOPMENT CORP.

Hon. Ms. Munro: I am pleased to inform the House of a major initiative to enhance the cultural and economic vitality of our province. The government is establishing the Ontario Film Development Corp. to consolidate existing programs and spearhead innovative support for this key sector.

The new corporation will be an agency of the Ministry of Citizenship and Culture and will be headed by an independent board of directors drawn largely from the film industry. I am delighted to announce that Wayne Clarkson, for the past eight years director of the internationally acclaimed Festival of Festivals, will serve as the corporation's board chairman and chief executive officer.

Mr. Clarkson brings to this position exceptional commitment and understanding of the needs of our film and video producers. He is well known for both his artistic judgement and his management expertise. Under his guidance, the Festival of Festivals has tripled its audience and has become one of the most notable festivals in the world. The annual event has reflected a serious commitment to Canadian film, which culminated in the 1984 Retrospective of Canadian Film and the establishment of a permanent festival program devoted to the Canadian industry.

10:10 a.m.

The government will allocate \$20 million over three years to the work of the new corporation. In the current fiscal climate, this allocation testifies to our confidence in the cultural and economic future of our dynamic film industry.

The Ontario Film Development Corp. will bring under one roof the film and video office now operating within the Ministry of Industry, Trade and Technology and the various film-related activities of my ministry. It will build upon the current program base to respond forcefully and effectively to the challenges facing independent Ontario film producers.

As I indicated to the House during the budget debate, culture is at the leading edge of our developing service and information economy. In Ontario, culture and the arts generate revenues of \$3.5 billion a year and employ more than 172,000 people.

The film industry is a key component of the commercial cultural sector. The industry's future is especially crucial to Ontario, which is the home of nearly half the 300 private film and video production companies in Canada. Recent statistics indicate that Ontario film makers generated revenues totalling some \$77 million and employed an estimated 10,000 producers, performers, writers, musicians, editors and technicians.

Emerging new film and video technologies are expanding and diversifying markets and creating tremendous growth opportunities. But opportunity also stimulates competition. Canada borders the world's largest and most successful distributors of mass market entertainment. Largely because of the United States presence, Canadian films represent only 8.8 per cent of the total film market in this country.

As well, Ontario's position has slipped. While other jurisdictions, for instance Alberta and Quebec, have moved ahead with aggressive government support, we have stood still. It is a fact that while Ontario is still the centre of the Canadian film and video industry, our leadership has been eroded. Our share of Canadian production dropped from 60 per cent in 1979 to 35 per cent in 1982. This is estimated to have cost our province 5,000 jobs.

The mandate of the Ontario Film Development Corp. will be to deliver the support film makers need to flourish and thrive. We have the creative talent and the technical expertise to compete successfully in the international marketplace. What we need now is stronger financing and stronger marketing.

The new corporation will foster the development of Canadian-owned, Ontario-based film producers through specific initiatives. These include an investment fund to assist producers, writers and directors at all stages of production, from script development through post-production, as well as to help companies, through a variety of financial mechanisms, to maintain ongoing financial stability.

This support will enable Ontario producers to attract funds from federal agencies as well as the private sector, thereby raising overall investment levels in the Ontario film industry at relatively low cost to the government.

Exhibition and distribution incentives offered by the corporation will ensure that Ontario film productions are released and well publicized. We will develop incentives programs to assist the launching of Ontario films in major provincial markets.

Last year foreign producers spent \$42 million in foreign funds in making films in Ontario, generating 2,000 direct jobs. Much of this resulted from the excellent promotional efforts of the film and video office in the Ministry of Industry, Trade and Technology. We plan to build on this base and aggressively to step up our campaign to attract foreign producers to shoot films and video in Ontario. Marketing and promotion assistance will also be expanded to co-ordinate our current efforts to promote Ontario films worldwide. This will include participation in major trade fairs and film and television festivals.

The creation of practical job opportunities will provide graduates of our colleges and universities with the hands-on experience they need to begin film careers. The corporation's financial support will be linked to the willingness of companies to offer practical learning opportunities to aspiring producers, artists and technicians.

A grants program will respond to funding requests from industry-related groups which reward and showcase excellence in films. A co-ordinated approach will reinforce the impact of government funding.

As his first priority, Mr. Clarkson will consult widely with the industry to determine how these initiatives should be implemented and to learn in general how the corporation can best respond to the industry's needs.

My ministry is actively developing initiatives for other cultural industries, including sound recording, book publishing, periodical publishers and commercial theatre, with a view to strengthening their development. The creation of the corporation opens a new era of partnership between the provincial government and Ontario-based independent producers. This is a partnership which has been convincingly advocated by the industry.

We share this goal of developing a nucleus of strong, stable and efficient production companies. We fully agree that by strengthening the industry, we will increase the volume of Ontario productions, expand employment in this key sector and broaden opportunities for cultural expression. In the Ontario Film Development Corp. we have the organizational structure to

meet these objectives and in Wayne Clarkson the leadership to get the job done.

I would like to introduce Wayne Clarkson to the Legislature. I would also ask members to join me in welcoming back his father, Stewart Clarkson, and his wife. Many will remember Mr. Clarkson as a highly respected and long-time civil servant in this province.

FOREST MANAGEMENT

Mr. Speaker: The Minister of Energy.

Hon. Mr. Kerrio: I am the Minister of Natural Resources right now.

Mr. Speaker: I am sorry, the Minister of Natural Resources, at the moment.

Hon. Mr. Kerrio: As I announced on October 18, the government is undertaking a comprehensive audit of its forest management activities, the results of which will be shared fully with the people of Ontario.

We believe Ontarians can reach a reasonable consensus about how our forest resources are being managed only if they have accurate, up-to-date information. We believe the public should know as much as possible about the state of our forests and the outlook for the future. Consequently, we are taking a number of steps that should provide the basis for reaching such a consensus.

Today I would like to table the Provincial Auditor's report on the forest management activity of the Ministry of Natural Resources, which was completed this year, together with my ministry's response to items raised in the auditor's report.

Members know provincial audits of major government programs are undertaken regularly for the benefit of government managers. This report was initially sent to the Deputy Minister of Natural Resources for response back to the Provincial Auditor for follow-up action. It would not normally have become a public document unless the Provincial Auditor chose to include all or some of the material in his annual report to the Legislature.

This report comes at a most opportune time in the short history of Ontario's intensive forest management initiatives. With regard to growing techniques, silviculture, quality of seed and other factors, forest management is at a stage of development that has been practised for barely 25 years in northern Ontario.

My ministry's response to the auditor describes many steps being taken to correct inadequacies we have identified in the process. The auditor's report identifies a number of other

areas in which our procedures can and will be improved.

We want this information to be made public. We believe the results of this audit will add substantially to the debate on how we manage forests in this province and will provide a valuable tool in the future refinement of our forest management programs. I am tabling this report for the public's information.

10:20 a.m.

ORAL QUESTIONS

ACCESS TO MINISTERS

Mr. Gordon: I have a question for the Premier this morning. In the light of the fact he has admitted the original Liberal Economic Advisory Forum letter created an unfavourable impression, will he now muzzle his pet fund-raiser, Donald Smith, who is busily writing to newspapers across the province justifying that first letter in most self-righteous tones? Will he muzzle him before he further aggravates the public's simmering doubts about the integrity of a party that resorts to influence peddling?

Hon. Mr. Peterson: We do not muzzle anybody. We encourage free expression from everybody, from all sides. That is the kind of party we have and the kind of government we run. It is open. Everyone can speak his mind. That is the finest expression of the democratic system.

Mr. Gordon: As I read this letter from the October 26 issue of Northern Life, I find an even more fundamental problem. Mr. Smith says, "If the average voter would contribute \$25 to the political party of his choice, this would solve a lot of our problems." I read that to be an admission that he is selling influence. When is the Premier going to stop this scandalous, elitist practice?

Hon. Mr. Peterson: This honourable member has been known to try to drag this system into the gutter on more than one occasion. Today is just another example of that. He has a lot to learn about human relationships as well as about politics. I reject categorically his innuendo or suggestion, and so does anybody who can read properly.

Mr. Gordon: How can he possibly believe he is now exonerated from any charges of influence peddling simply because in a revised letter he informed the rich and chosen where their money was going? This in no way changes the intent or offensiveness of the letter, nor does it make this elitist club any more accessible to the man in the street; he still cannot afford to get his ear or to

join his club. Does the Premier really believe the 15 per cent who are unemployed in Sudbury have an extra \$25 to throw to the Liberal Party? Will he cancel this practice now?

Hon. Mr. Peterson: One of the things we are trying to do is to encourage people from all walks of life to be involved in the democratic process and in the support of their political party, because everyone has a stake in that. Getting back to the original question, if the member has any evidence of untoward influence, he should bring it forward in this House—I challenge him—rather than sleazy innuendo, which he constantly engages in. Facts and history prove he is mostly wrong anyway.

Mr. Gillies: I am beginning to think our party could have been in government for 100 years and not been as arrogant as this Premier.

Mr. Speaker: Order.

HOSPITAL FUNDING

Mr. Gillies: My question is to the Treasurer. I wonder whether he is aware that following on his parsimonious budget, which some would even say was a niggardly one, the Ontario Hospital Association is desperately seeking a further \$50 million just to meet its needs because of inflation, not including money for renovations, safety improvements, patient services, new equipment or new programs. Is the Treasurer aware that the OHA feels his budget shortchanges its immediate needs by \$50 million?

Hon. Mr. Nixon: The budget of the previous government last year allocated an increase of about 6.2 per cent overall. The budget I brought down last Thursday has an overall increase of 8.3 per cent. I wish it were more money. Obviously, the costs of medical services through hospitals are growing very rapidly. I was informed of the individual cases I have already referred to, particularly at the Hospital for Sick Children, where individual treatment can cost as much as \$1 million for children with leukaemia.

We are prepared as a government and as a Legislature, I know, to support whatever is necessary to provide top-level hospital treatment. I am not going to spend a lot of time talking about how the hospitals were not supported over the past few years. The former minister knows, having been a part of the previous cabinet, the transfers to hospitals at the base were less than three per cent last year and additional moneys had to be announced by the former government, even after the election, in the dying days of that ministry.

We supported that and we went further. We have established funds that will enable the Ministry of Health to support those communities that are moving with initiatives to improve the hospital system in their own towns. I am aware we do not have enough money to meet the needs that the hospital boards are requesting, but we are making the kind of judicious judgements in this regard that we think will be fair and equitable across the province.

Mr. Gillies: The Treasurer's sentiments are all very well, but he will be well aware that the former government increased health care spending last year by \$800 million. In his budget he had an increase of \$600 million. How can he and the Premier (Mr. Peterson) self-righteously proclaim themselves as the champions of the weak and infirm when they are not willing to maintain the kind of increased commitment that the former government was?

Hon. Mr. Nixon: The honourable member refers to the increases. Most members here will recall that, following the 2.9 per cent announcement in the budget when the member for St. Andrew-St. Patrick (Mr. Grossman) was the Treasurer—the member for York Mills (Miss Stephenson) had not yet taken over—the then government was forced by the hospitals month after month to allocate additional funds.

When we looked at the estimates that were presented exactly the way we received them, we found there were many hospital programs already under way that were not even included in those estimates. In the part of my budget headed "A Clean Slate," there was a specific instance where we had to allocate additional funds to pay off the bills for programs that were under way in the hospitals and not funded in any way by the former administration.

Mr. Swart: It is my understanding that 4.3 per cent of the increase in the hospital budget is going to be used for special circumstances, whether they be additions or hospitals finding themselves in very serious situations.

I realize the Minister of Health (Mr. Elston) makes the final decision, but will there be adequate money in this 4.3 per cent increase to fund a hospital such as the Welland County General Hospital, which is in a rather desperate financial situation and which has one of the lowest operating costs per bed of any hospital in this province?

Mr. Speaker: The question has been asked.

Mr. Swart: Has the Treasurer discussed this matter with the Minister of Health?

Mr. Speaker: Order.

Hon. Mr. Nixon: I have not discussed it with the Minister of Health. I can assure the honourable member that I believe there are a number of hospitals looking for improved support. I should make it clear that it is my job, with the consultation I have available to me from the ministry, to provide the funds in what I consider to be a just balance. It is for the Minister of Health and his advisers to decide how it is spent. I am not the one who is going to say, "I am going to give you this money if you spend it that way." That is his responsibility; mine is budgetary.

10:30 a.m.

Mr. Gillies: The Treasurer is very familiar with the contents of his budget. He knows full well the base budget increase overall to the Ministry of Health is only four per cent. Let us talk specifically about physical plant and capital expenditures.

Mr. Speaker: In question form.

Mr. Gillies: In question form. The Treasurer will know the increase in the capital budget for our hospitals last year was \$340 million.

Mr. Breagh: They told them to help themselves.

Mr. Gillies: If I need the help of the member for Oshawa (Mr. Breagh), I will ask for it.

The capital budget increase last year was \$340 million. The capital budget increase in this year's budget is \$300 million. Will the Treasurer explain how a 12 per cent cut in the capital budgets to our hospitals, allowing our physical plant to suffer and run down, is going to benefit the people of this province? Will he reverse what I consider to be a very irresponsible budget cut in a very critical area?

Hon. Mr. Nixon: I simply say again that the overall allocation of moneys for hospital services has been established at approximately an 8.2 per cent increase over last year's budget. The increase last year was a bit over six per cent. I do not apologize in any way for the allocation. I am not prepared to say it is as big as I would like, but I believe it is the sort of allocation that will enable our hospitals to plan not only now but also for the future and not only to do what has to be done to look after our fellow citizens who find themselves in need of hospital care but also to improve that care.

I want to say also that the overall allocation for health services is just under \$10 billion. One of the large increases this Legislature has paid year after year is an increase in the fee schedule for the doctors that has been far in excess of inflationary

changes. There has been an allocation of many millions of dollars for health care to the doctors. We are not prepared to respond to that in any other way except to say the government of Canada has withheld \$50 million a year from us because of the policies of the previous government which maintained the situation where extra billing is allowed.

There are many problems in the provision of health care, many of them financial and fiscal having to do with the government of Canada, that we as a new government want to iron out.

NATURAL GAS PRICING

Mr. Rae: Given the posture of the Liberal Party during the last election with respect to protecting the interests of Ontario consumers and the great "Bluff and huff and I will blow your house down" statement made last week by the Minister of Natural Resources (Mr. Kerrio) or the Minister of Energy, depending on which hat he is wearing, I am rather astonished today, when we know the announcement has been made in Ottawa with respect to the natural gas arrangements, that we have no statement from the government with respect to the pricing of natural gas.

With regard to what has happened, can the Premier confirm it is his understanding that many American consumers will be paying less than Canadian consumers in central and eastern Canada as a result of the deal that has been signed and that it does not amount to deregulation in favour of Canadian consumers? Is the Premier prepared to make a statement on the issue today?

Hon. Mr. Peterson: I know the minister was looking at this very carefully last evening and this morning, and he does have a statement pointing out his view of the situation. I understood he was going to ask unanimous permission of the House to give that statement a little later, as it is in the process of being prepared in response to the announcement of yesterday. Perhaps I can refer the question to him if he is ready to go.

Hon. Mr. Kerrio: The ramifications and implications of the agreement with the western provinces are very involved. I do not like to speculate too much on where prices may go, but the fact is that basically the city-gate price in Toronto has been frozen for one year. They have folded in some of the costs to maintain that price. They are going to pick up the increase that was given to TransCanada PipeLines. All those things are taken into account for one year. There is no guarantee after that as to where gas prices will go.

Just speculating, if the competition is keen, with the ability of the consuming provinces to export into the United States, I hope it will have an impact on our markets. It is very difficult to decide at this time. We are examining it carefully. I am going to ask, if I may, to revert to statements to make a statement within the next 15 minutes.

Mr. Rae: The tiger has become a tabby cat. I am a little amazed at the transformation that has taken place. I will stand down my questions on this issue until the minister makes his statement.

Mr. Speaker: Is it agreeable to stand that down?

Mr. Rae: I will stand down my first leader's question, if I may, and the member for Ottawa Centre (Ms. Gigantes) will go with the second question.

HOTLINE FOR BATTERED WOMEN

Ms. Gigantes: I have a question for the minister responsible for women's issues. Can he provide us with some information about the anticipated announcement of a \$220,000 expenditure for a Metro hotline that women can call if they need assistance because they are battered and about the \$400,000 in television advertisements being proposed that tell women to call and seek assistance?

Can the minister tell us in particular whether there will be regional spot announcements in these ads that will indicate, for example, if you call from Etobicoke, that you will not be able to get service at Ernestine's Women's Shelter or the Women's Habitat of Etobicoke because they are turning women and children away, and if you call from—

Mr. Speaker: It seems like an ample question.

Hon. Mr. Scott: I am delighted to have this question, because it gives me the opportunity to tell the honourable member that we today announced this advertising program, which is directed at battered women and provides them with a number they can use across the province toll-free to make inquiries.

The member referred somewhat cynically, I thought, to the fact that there is a gap between the need for distress centres for battered women and the actualization. We are moving to try to deal with that. Budgetary allocations for this matter have moved from \$2 million in 1981 to in excess of \$15 million now. There is a gap; I regret to say that. We hope to be able to deal with it, but it is a major problem.

Ms. Gigantes: I would like to point out that one could be accused of false advertising by offering services that do not exist. Will the minister's ads tell women they had better be prepared after a certain period of time in an interval house or a shelter to go back to the people who are abusing them because we do not have affordable housing for women who have to leave the situation where they are suffering abuse, because we do not have child care so they can support themselves and their children and because we do not have adequate counselling or legal services for these women? What is he offering? Where's the beef?

Hon. Mr. Scott: I am really distressed at the question. The problem of wife battering is a serious problem. This initiative is an effort to reach out to women who have this problem in their homes, to get them to come forward by telephone if necessary, if that is the only way, and we will attempt to deal with their problem. The fact that there is a gap in the availability of distress centres, which is not nearly as major as the member says, does not mean we should cancel the program. The program has to be undertaken as well, and I am proud of it.

Ms. Fish: In view of the fact that one of the major needs, identified previously and worked on by the former government, is in the area of third-language women, women who speak neither English nor French and who are particularly isolated in their homes with a concern on battering, and in view of the recent cutbacks in the budget for services to multicultural community groups and their language assistance for counselling, can the minister indicate to us how this hotline will in any way help those women isolated in their homes by virtue of speaking a third language?

10:40 a.m.

Hon. Mr. Scott: It is true that the advertising program, though not the publicity and the pamphlets associated with it, are in the two official languages, and there is the problem that the honourable member has suggested. However, we are developing other initiatives to deal with people who speak only a third language.

It is fair enough to get this question from the New Democratic Party; it is a little much to get it from the government that essentially did nothing in this field for years.

[Later]

Ms. Gigantes: On a point of personal privilege, Mr. Speaker: I am angry because I feel the Attorney General, who is the minister

responsible for women's issues, has impugned my motives. He has suggested that in previous questions I was cynical and frivolous. I feel most angry about that accusation, that suggestion.

I wish you to convey to him the sense that he is in danger of misleading the women of Ontario about the services available for them when they are being battered, and I would suggest he be advised to review his advertising program until he can deliver the goods.

Mr. Speaker: Order. I listened very carefully to the point of personal privilege, and the member went on to ask me to advise the Attorney General.

Mr. Martel: Make him withdraw.

Mr. Speaker: Order. I notice the Attorney General wished to make a comment. I should briefly hear his comment.

Hon. Mr. Scott: Mr. Speaker, I did not intend to demean the motives of the honourable member, which are well known and are quite acceptable and distinguished. But I do think it is an unfair observation to suggest that one should not run an advertising program designed to alert women to the limited facilities that are available until all the maximum facilities are in place. I think that is unfair and is a suggestion that has no warrant. That is the point I was making.

I did not demean the member's motives. Her motives are well known.

Mr. Speaker: I have just received word that the statement is ready. Do members wish to revert to statements? May we revert to statements and then go back to the first supplementary question of the member for York South (Mr. Rae)?

Agreed to.

STATEMENT BY THE MINISTRY

NATURAL GAS PRICING

Hon. Mr. Kerrio: Mr. Speaker, yesterday the federal Minister of Energy, Mines and Resources, the Honourable Pat Carney, announced a new agreement for the pricing of natural gas in Canada. The agreement was signed by Pat Carney on behalf of the government of Canada, with the governments of Alberta, Saskatchewan and British Columbia.

Mr. Speaker: Order.

Mr. Cousens: Mr. Speaker, on a point of order: I want to hear the minister but I also want to see the clock stopped while he is making the presentation.

Mr. Speaker: It is stopped.

Mr. Cousens: But it is still running.

Mr. Speaker: Carry on, Minister.

Hon. Mr. Kerrio: As members know, even though Ontario was not at the negotiating table, I made strong representation on behalf of the consumers in Ontario, both large and small. The agreement announced yesterday is very complex and we are studying its implications carefully.

The immediate effect of this agreement is to freeze the wholesale price of natural gas for one year. The wholesale price in southern Ontario will remain at \$4.07 per 1,000 cubic feet. The potential price increase of 12 cents per 1,000 cubic feet, which would have resulted from higher tolls on TransCanada PipeLines, will be absorbed during that year by natural gas producers in western Canada.

Also during that year, large natural gas consumers in Ontario will have the opportunity to negotiate direct purchases from producers in Alberta which could result in some lower prices for those customers.

By November 1, 1986, the price of natural gas in Canada will no longer be set by government but will be determined by negotiation between buyers and sellers. The province will monitor the practical implementation of this agreement very closely because we are the major market and we are very concerned that our industries remain competitive.

We will look at all the options and watch very closely, price developments in the United States market where our industries have to compete. There is no doubt that during the transition year, this agreement will have major implications for natural gas distributed in Ontario, and we will be reviewing those effects with the distributors.

The impact of this agreement on the distributors' long-term contract is not all that clear. Our officials will be in touch with major natural gas consumer associations in Ontario, and we will also be working closely with Quebec officials as many of these implications will apply in that market.

I will be making representations to my federal counterpart on any concerns which arise during the coming months.

ORAL QUESTIONS

(continued)

NATURAL GAS PRICING

Mr. Rae: I am really astonished at this statement. It has less with regard to information

that is actually in the agreement than what we read in this morning's *Globe and Mail*.

The minister will be aware that on June 1, the government of Canada eliminated the Canadian ownership special charge which should have resulted in a so-called saving to the people of Ontario of \$92 million since June 1. Consumers' Gas went before the Ontario Energy Board in September and the effect of the elimination of that charge was not passed on in any way, shape or form to Ontario's consumers.

As the Minister of Energy and the Minister of Natural Resources responsible for protecting Ontario consumers, what is he doing to make sure that the changes in tax arrangements and the changes in price arrangements are going to end up in lower gas bills for the consumers of Ontario? Just what is he doing about it?

Hon. Mr. Kerrio: The leader of the third party accused me of being a tabby cat. The time for that kind of rhetoric was when I was running trying to make an agreement. It is too late now; the agreement has been signed. I wish he had come on like that when I was trying to get those people down there to make a deal with us. I know that does not sit very well with the member but he knows it is true.

Mr. Rae: It is all my fault. I am sorry, it is all my fault.

Interjections.

Mr. Speaker: Order. Does the House wish to listen to the reply or not?

Mr. Andrewes: I know the minister is not a tabby cat. He is a tiger with his tail clipped, and it was his Premier who clipped it.

I am really very interested in the statement. It arrived halfway through question period, but the minister managed to get a press release out to the public and to the press gallery prior to question period.

Will the minister move in an expeditious way to implement transportation tolls and direct purchase arrangements through the Ontario Energy Board, and to make sure that the OEB, in its rate review, passes through that Canadian ownership special charge of \$92 million that has been accumulating since last July?

Hon. Mr. Kerrio: I have been relating to the media all along. Nothing has changed. I have said everything that had to be said up to the point when that agreement was signed. The member was privy to that. It is not all that easy. I will read one thing into the record that we were not privy to and now we are subject to. This is referring to the

consuming provinces in the agreement that was signed.

"It is anticipated that the governments of the consuming provinces who are not signatories to this agreement will make changes to ensure the effectiveness of the market-sensitive pricing regime, including legislative changes."

Those kinds of implications are hard to deal with. We are going to have to make legislative changes determined by other jurisdictions. When the member talks about my leader becoming involved, he had better believe he was, because we did not have the full support of the federal government. Those people in Ottawa sold us out.

Interjections.

Mr. Speaker: Order.

Mr. Swart: It is obvious the minister is a failure in having any influence on the recent agreement which was made but there is an area where he and his cabinet do have power. He has an appeal before him from the New Democratic Party caucus here against the massive profit which has been allowed to Consumers' Gas. Will the minister allow the appeal we have put before him and his cabinet and save some \$20 million to \$25 million for the consumers of this province?

Hon. Mr. Kerrio: When the member is relating to the Canadian ownership special charge, that is one of the issues at stake. That money has not been passed through. It was passed through in northern Ontario to some of the major consumers. It was not passed through here. It has been taken into account because of the increase put through by the National Energy Board on the TransCanada PipeLines. They all have to be dealt with by the NEB and it will be dealt with here by the Ontario Energy Board when the matter comes before it.

10:50 a.m.

SENIOR CITIZENS' SERVICES

Mr. Cousens: I have a question of the Treasurer and Minister of Economics. It has its background in the promises and intentions that were displayed not only in the mini-throne speech by the Premier (Mr. Peterson) but also in the way they as members of the opposition condemned our government for a failure to provide services for seniors.

In the Treasurer's budget on page 58, where he describes the transfers to local governments and agencies, there is a significant decrease in the amount of money allocated for the running of senior citizens' residences from that allocated in the previous government's administration.

I have a very simple question, which will require a very difficult answer on the basis of the information I have, but I am asking the question because I—

Mr. Speaker: Please go ahead.

Mr. Cousens: Why will homes for the aged run by government and local agencies receive an increase in the new budget year that is only half as much as our government gave last year?

Hon. Mr. Nixon: The overall increases, we feel, are adequate. I want to point out to the honourable member there was a special section in the budget that really reflects the initiative taken by the Premier in appointing the member for London North (Mr. Van Horne) Minister without Portfolio with responsibility for seniors' affairs.

This section of the budget maintains a special payment for this year, which will be ongoing, of an additional \$11 million for special programs for seniors. We feel that while we have to fund the ongoing programs—and we have undertaken that—we have to take new initiatives because problems and challenges of programs for seniors have not been met in the past. We feel that with this special fund we can do so.

Mr. Cousens: This is really a two-part supplementary. First, why does the money for these specific areas not even keep up with inflation? Second, how much new money is the government really putting in for seniors?

Hon. Mr. Nixon: The \$11 million that I have been talking about is for new programs. The other allocation is for the maintenance of the seniors' facilities, and there is money in there for their upkeep and expansion.

MILK PRICES

Mr. Wildman: I have a question for the Minister of Agriculture and Food in regard to this government's commitment to northern Ontario. In the light of the promise that the Liberals would "move towards equalized fluid milk prices throughout Ontario" in the document entitled *The Ontario Liberal Party and the North: A Fair Share in Ontario Prosperity*—the Liberal campaign platform in last spring's election—how does he explain his statement in his letter to me, dated October 10, in which he said: "I do not think it would be in the best interests of consumers or the entire dairy industry to establish a system of controls on the wholesale and retail prices of fluid milk. Therefore, I will not be proposing any changes of this nature to the Milk Act."

Hon. Mr. Riddell: First of all, let me tell the honourable member that this government and I have nothing to do with the pricing of milk. That was the intent of the letter. It is done by the Ontario Milk Marketing Board, a duly elected board. We could perhaps move as a government to try to equalize the price of milk by doing something by way of transportation assistance. These are things we are taking into consideration, but the reason we have not done anything to this point is that we have been concentrating our efforts on trying to keep farmers on the land.

As the member well knows, farmers are going through a very difficult period. He has heard me announce some programs to try to help them cope with some of their debts. We consider this a priority. It is a case of not being able to do everything at once, so we are concentrating on keeping farmers in farming. I hope to make an announcement on Thursday about new initiatives we are taking to help them more. That is where we are concentrating our efforts, and some time in the near future we hope we can address the concerns of the members.

Mr. Wildman: Surely the minister understands the farmers in the northern and northwestern pool are hurt as much by high milk prices in the north as other consumers.

Mr. Speaker: Is that your question?

Mr. Wildman: Yes. Does the minister not know that, according to the food price monitoring program, as stated by the Ministry of Consumer and Commercial Relations in September 1985, the average price for four litres of milk in southern Ontario, including Toronto, is \$2.52, in northeastern Ontario it is \$3.55 and in northwestern Ontario it is \$4.07? We range from a low of \$1.99 for four litres of milk in Ottawa to a high of \$5 for the same thing in Moosonee.

What is this government going to do to keep its promise to northern Ontario that it was going to move towards equalizing milk prices?

Hon. Mr. Riddell: I would certainly invite the member to join me and we will set up an appointment with the Ontario Milk Marketing Board to sit down and talk to the chairman, Ken McKinnon, as I have done in the past. I intend to pursue our endeavours, but I would certainly invite him to join me, we will set up a meeting and see what can be done.

Mr. Stevenson: When the minister is making his announcements on the new programs for farmers, in particular for northern Ontario—they have not heard anything in the north yet from him—would he please announce at the same time

what programs he will be cutting to help fund those new ones when he announces the money?

Hon. Mr. Riddell: A very simple answer is, we are not cutting any programs to fund these. We have picked up an additional \$70 million or \$80 million for new programs. When he considers programs through other ministries, such as AgriNorth, that should address his concerns about what we are doing for northern Ontario. We have the AgriNorth program administered through the Ministry of Northern Affairs and Mines. When he considers these other programs, we have increased the agricultural budget substantially. It is up to about \$500 million compared with about \$330 million when his party was in power.

Interjections.

Mr. Speaker: Order. That question has been dealt with.

MUNICIPAL ROADS

Mr. Barlow: I have a question to my friend the Treasurer. It relates to this government's lack of commitment to the roads and transit system.

11 a.m.

Expenditures in the Ministry of Transportation and Communications for 1985-86 have been cut by \$34 million from 1984-85. I want to ask the Treasurer about the transfers to municipalities for roads and transit in the province. The government has committed a total of \$523 million in transfers for roads, and I know the previous government committed \$531.5 million for 1985-86 for transfer payments. That is a total of—

Mr. Speaker: Question.

Mr. Barlow: It is coming. That is a difference of \$8.5 million from the amount the previous government approved for transfers. Why is the Treasurer trying to use smoke and mirrors on this whole transfer payment question by flowing less money to the municipalities than he says he is?

Hon. Mr. Nixon: Once again, I ask the member to think back to the budget statement or to his careful reading of the budget itself. Our transfers to the municipalities were based on a four per cent growth, but we recognized that over the past number of years the former government had not provided sufficient money for municipal roads and that the municipalities had to cut deeply into their unconditional grants in order to maintain the roads.

In response to that, we raised the amount that was available for the municipalities and also established a special fund of \$60 million through the Ministry of Transportation and Communica-

tions allocated specifically for municipal roads and urban transportation.

On examination of the books of the province, we found that rolling stock and other material for urban transportation, including buses in Ottawa, the new special transportation system in Scarborough, and also other rolling stock for Toronto, had been ordered and delivered with no money made available to pay the bill.

It was necessary for us to scrape up \$90 million extra to pay for these things that had been ordered and delivered. It was almost as if one sent away to Eaton's catalogue and then forgot about having sent the letter. The stuff was delivered and it had to be paid for, so there is an additional \$90 million in there.

Besides the money the member is talking about, therefore, there is an additional \$60 million specifically for urban and municipal transportation and an additional \$90 million to pay for the rolling stock that has been delivered this year.

Mr. Barlow: As far as the \$60 million for roads is concerned, in my reading of the budget for the coming fiscal year, that is, the 1985-86 year, the \$60 million is not even in this budget.

With regard to the \$90 million for transit, the total budget for transit transfer payments is \$260 million, which is \$62 million less than was paid last year. I guess the Treasurer takes the \$62 million off the \$90 million.

Mr. Mackenzie: Question.

Mr. Martel: They still think they are reading statements over there.

Mr. Speaker: Order. This is just a typical example. If you ask a long question, you might happen to get a long answer. I suggest you ask a brief supplementary, and we will see if we can get a brief supplementary answer.

Mr. Barlow: Is the \$62 million that is not going to the municipalities for transit this year being taken off the \$90 million the Treasurer promised to give?

Hon. Mr. Nixon: No. The money that is available to the municipalities at present is based on the estimates tabled in the House by my colleague the Chairman of Management Board (Ms. Caplan) a day or two after this government took office. They are the estimates we inherited.

The member is correct in saying that the statement I made contains amounts that will be available to municipalities during the next fiscal year. We wanted to give them ample notice, plus the notice of an additional four per cent the following year, so they could make their plans in

advance rather than financing on a month-to-month basis.

ZOO LABOUR DISPUTE

Mr. Mackenzie: In view of the picket line set up by Canadian Union of Public Employees Local 1600 at the Metro Zoo, will the Premier tell us whether he has decided against sending a representative for the closing of the Chinese pandas exhibit? Can he clarify if it is the policy of his government to cross picket lines?

Hon. Mr. Peterson: It is not the policy of this government to cross picket lines. I am not aware of anyone going, but it may be something I am not aware of. If there is someone I should convey that message to, who is not aware of it, then please let me know.

Mr. Mackenzie: I am sure the Premier realizes the problem at the Metro Zoo is justice for part-time workers and the refusal of the society to deal with them in the same way the zoo management board has dealt with its part-time workers. We understand the Minister of Tourism and Recreation (Mr. Eakins) was going to be attending, and I would ask the Premier to look into the matter.

Hon. Mr. Peterson: I thank the member for his advice. I was not aware of that. I will certainly discuss it with the Minister of Tourism and Recreation, but that is the policy of this government. We have certainly applied that in other instances and places in this province.

RED MEAT PLAN

Mr. Lane: I have a question for the Minister of Agriculture and Food. In reply to questions in the House and in statements outside it, he has indicated he believes the tripartite agreement for the national red meat stabilization program would be signed by the end of October. Can he tell the House today whether that has occurred? If so, what help will it provide for the cow-calf operators in Ontario?

Hon. Mr. Riddell: No, the agreement has not been signed. We are still waiting for a call from the federal Minister of Agriculture, and we hope it will come today, about how he intends to apply the national stabilization payments to the retroactive payments which we have indicated would go back to January 1, 1985.

If he has made up his mind how he is going to apply the Agricultural Stabilization Act 90 per cent payments, then there is no reason we should not be ready to sign the agreement, either next week or certainly by November 15, depending on how long it will take him to get the order in

council through his cabinet. I trust it will not take that long, but Ontario is ready to sign. Alberta is ready to sign a pork plan, as are the other two provinces, according to my understanding. The prairie provinces, Ontario and two or three of the Atlantic provinces are ready to sign a beef tripartite stabilization plan. We are hoping we might hear from Mr. Wise today. We are ready to go ahead.

As for the cow-calf situation, this red meat plan for pork and beef will set the framework for tripartite on what we call backgrounders, that is, the cow and calf operation, which is a one-year thing. The calves are sold once a year, in contrast to hogs and slaughter cattle which are sold throughout the year. There would not be a payment until probably some time in the spring of next year anyway, but we will be working immediately on a cow-calf plan as soon as we get the red meat plan signed for beef and pork.

Mr. Lane: I am sure the minister is aware that many farmers in northern Ontario are farming on marginal land and for that reason grow little grain and produce few slaughter cattle. Those farmers are going to have to continue to operate mainly on the cow-calf program. Can the minister tell the House if he is going to provide any subsidies for them? He has indicated it will not be before spring. Will it be for the 1985 production?

Hon. Mr. Riddell: We are hoping it will be, but the payment probably would not go out until next year, because some of those calves may not be sold this fall. Some may be held until next spring. We would have to wait until the calves or the feeder cattle were sold before we could make any kind of determination about who would be eligible for payment. I am striving to have the tripartite signed for cow-calves, hoping there will be payments for the 1985 crop year.

However, the member should bear in mind I represent only one province. The others have to participate in this as well. I do not see any reason the prairie provinces, for example, would not go along with such a tripartite plan, since most of the cows and calves are produced either in Ontario or the western provinces.

11:10 a.m.

FOREST MANAGEMENT

Mr. Laughren: I have a question for the Minister of Natural Resources concerning the Provincial Auditor's report on forest management in the province, tabled this morning.

Has the minister noticed, on the section regarding the selection of greenhouses, who would build the greenhouses and grow the stock,

the statement by the auditor, "In one case a grower who constructed a greenhouse costing approximately \$800,000 was selected without obtaining proposals/bids from other interested parties and the other four qualified applicants were not given the opportunity to submit their proposals"? When the Ministry of Natural Resources was asked to respond to this, the response from the ministry, arrogant as always, was "This was a decision of the minister of the day."

Would the present minister conduct a thorough investigation into every single grant of taxpayers' money for the purposes of building these greenhouses that was not done in an open, competitive bidding process?

Hon. Mr. Kerrio: It is very well understood that starting tomorrow afternoon when I meet with the new auditor, I have invited the member for Nickel Belt (Mr. Laughren) to participate in our forest audit. That is the start in that direction.

Specifically to answer the question he raised, it is very precise when it says it was the decision of the minister of the day. I have had a fair amount of experience in construction and contracting and I am very anxious to pursue and investigate how any of those contracts were put out and to ensure that they will be fair and equitable. I would be happy to look into any specific ones he might mention.

Mr. Laughren: I do not know how the auditor, who is coming in to town today, is going to get into past bidding practices. I did not think that was the role of an auditor of our forests.

Has the minister also noticed in that report that the Ministry of Natural Resources had the unmitigated gall to tell the Provincial Auditor, who was investigating regeneration numbers, which we have been so concerned about for so long, that they could not tell whether it was going to be successful until a tree was 20 years old? Does the minister fully understand why we are unhappy with the way he has constructed the provincial audit of the forests that Dr. Baskerville is going to start doing as of today? Dr. Baskerville has been given a mandate to take the figures of the Ministry of Natural Resources, which have been suspect for many years, rather than going out and doing an audit of the forest itself.

Hon. Mr. Kerrio: The initial response about the auditor coming in was only to show my good faith in sharing where we are going with the New Democratic Party. The fact of the matter is that one of the very important involvements of the auditor is to tell us what we should do in the

future about the numbers that are put before him. He should very properly tell us whether we should continue with that kind of auditing or whether we should expand the kind of independent audit Dr. Baskerville is going to share with us. Within a week the member and the critic for the Conservative party should meet Dr. Baskerville.

DISASTER RELIEF

Mr. Rowe: My question is to the Premier. This week municipal officials from the devastated tornado areas met with the Ministry of Municipal Affairs. Is the Premier now prepared to honour the commitment of three-to-one funding to the people of this province? Will the Premier give this House today the assurance the tornado fund will cover the millions of dollars that the municipalities have lost during that time?

Hon. Mr. Peterson: The Treasurer has been very actively involved in this question. I will refer it to him.

Hon. Mr. Nixon: The member has posed previous questions to me on this matter and I was glad to answer them because I was in the same position in a previous tornado disaster in the Oxford-Brant area. Without going over all this again, the policy of the previous government was to provide funding on a three-to-one basis up to the point where all of the damages approved by the local committee were paid for. It was the basic decision that it would not pay for second homes or cottages, nor would it pay for recreational facilities, nor for the loss of a boat or a trailer.

As I understand it, precisely the same rules apply in the matter that the member, glowering at me at this moment, is referring to. In response to the comments made by people in the community, who perhaps have been misdirected in some small degree because the procedure in this province, which is fairly well laid down in disasters of this type but not been well understood, it is the feeling of the Minister of Municipal Affairs (Mr. Grandmaitre), who is not in his place at this moment, that any additional funds, not paid out on the basis of three to one, will be set aside for disaster relief in Ontario. It will not be used for ordinary purposes; it will be allocated for that purpose. He has indicated to me that, on careful review of the expenditures, we are going to be very close to the three-to-one ratio at least.

I want to state to the honourable member frankly that the government is living up to its commitments, just as the predecessor govern-

ment did in the previous disaster, when it did not really come even near the allocation and payment of \$3 for \$1. The basis of this real problem is the generosity of the good people in the member's community, and in mine, who shelled out from their own bank accounts to help their neighbours when they were in need. We must remember that the dollars we are talking about are dollars that belong to all of the people and are administered by this government.

Mr. Rowe: The Treasurer's government during the past few months has constantly told this House how many wonderful things it has accomplished. Today it has just established another first. By not honouring the three-to-one funding commitment, saying yes or no, for the first time in the history of this great province the Treasurer has not only managed to break the trust that existed between the government and the people of this province, he has not only misled the House, but he has misled all the people in Ontario who gave money.

Mr. Speaker: Order. I was waiting for a question, but I did not get one.

Hon. Mr. Nixon: But you have another duty. He said I misled the House.

Mr. Rowe: Mr. Speaker, I cannot mislead this House, as that government can.

Mr. Speaker: Order. Will the honourable member withdraw the words indicating that another member misled this House.

Mr. Rowe: No, Mr. Speaker, I cannot.

Mr. Speaker: I have no alternative but to name the member. You will remove yourself from the House for the balance of the sitting.

Mr. Rowe left the chamber.

ONTARIO INSTITUTE FOR STUDIES IN EDUCATION

Mr. Allen: I have a question of the Treasurer. Would he please tell this House what consultation with the parties involved preceded his decision to merge the Ontario Institute for Studies in Education with the University of Toronto; what hard, up-to-date evidence he has of duplication of programs, services and research; and why he made that decision at a time when the principals were satisfactorily engaged in renegotiating their own future relations?

11:20 a.m.

Hon. Mr. Nixon: I cannot quote the words in the budget exactly, but there was an indication that in the public interest we were reducing duplication wherever we could find it and correct

it. We mentioned the Innovation Development for Employment Advancement Corp., the Ontario Economic Council and OISE.

There was no indication of any reduction of funding, but the board of OISE and the board of the University of Toronto did indicate, in my view, a duplication. Both of these facilities, I think, could be strengthened by having them work together under one board. It was my view that the board of the University of Toronto should take that responsibility.

There was no consultation other than a review of previous reports made to this Legislature, one of them by a committee chaired by the former Treasurer, Darcy McKeough, the Special Program Review, which is available in the library. In it they reviewed the position of OISE and recommended that part of its duties, at least, become part of the University of Toronto. It was in response to the views on that matter that the inclusion in the budget was made.

Ms. Bryden: Why would the Treasurer make such an arbitrary decision about a world-renowned educational research institute such as OISE without consulting all the parties affected, including faculty, administration, unions and the women's centre, which is a very important part of it, and without giving us some documentation on the duplication he is talking about? Will the minister undertake full consultation with these groups before any changes are implemented?

Hon. Mr. Nixon: The position taken in the budget is going to be implemented by the Minister of Education (Mr. Conway) and the Minister of Colleges and Universities (Mr. Sorbara). The negotiations between the two parties have been going on. My own view is that this would facilitate it. It is our view that administration of OISE under the board of the University of Toronto is not such a bad thing and it should be seen to the benefit of both organizations; I hope that eventually it will.

Mr. McFadden: OISE has a world reputation with respect to the quality of its teaching, the studies it has undertaken and the quality of its graduates. I notice it is mentioned in the budget as a matter to eliminate duplication. From this, I assume the Treasurer must consider that the elimination of OISE and putting it in with the faculty of education at U of T is going to lead to some major saving that would in some way explain the disappearance of OISE as an independent institution with the quality of work it does. Can the Treasurer indicate exactly what the saving is?

Hon. Mr. Nixon: The OISE board has a number of appointees on it who are the responsibility of this government, as does the board of the University of Toronto. Both are world-class institutions. They are on each side of Bloor Street. They both have very important educational research components. It was my view that they would work very well together.

SENIOR CITIZENS' SERVICES

Mr. Cousens: I would like to go back to my earlier question. We have only a few moments, but the Treasurer can take all the time in the world to answer it, if he can. My question has to do with the \$11 million allocated for seniors. He has two pots; in one pot he has transfer payments, which are going down and not even keeping pace with inflation, and in a separate pot he has another \$11 million. What is the Treasurer going to do with the \$11 million?

Hon. Mr. Nixon: The wording in the budget, which I cannot recall precisely, has to do with beginning innovative programs for seniors, expanding those programs that are seen to be successful and stimulating the utilization of volunteers in our communities right across the province. The improvement on the base is four per cent. Unfortunately, inflation may be 4.1 per cent or 3.9 per cent. We are not going to have it variable. We feel this transfer basis is a fair and judicious one that can be defended by any reasonable person.

Mr. Breagh: Mr. Speaker, on a point of privilege: I want to bring to your attention that holes are appearing in the floor of the chamber. Maybe it is because of large termites, or perhaps the Ministry of Government Services has a new leghold trap design, but there is a hole here covered up by a little bit of red carpeting. I would like you to make sure we are at least safe from falling through the floor over here.

Mr. Gillies: Mr. Speaker, on a point of order: My point is not about holes, but I am sure many honourable members were as distressed as I was to read in the London Free Press of Friday last that the Premier (Mr. Peterson) said in a speech in London that the most important thing to happen at Queen's Park last week was the budget of his Treasurer, Richard Nixon.

Mr. Speaker: I cannot see where that is a point of order.

REPORT

STANDING COMMITTEE ON RESOURCES DEVELOPMENT

Hon. Mr. Nixon moved that the standing committee on resources development be author-

ized to present a report to the House based on its consideration of the 1984 annual report of the Workers' Compensation Board.

Motion agreed to.

MOTION ESTIMATES

Hon. Mr. Nixon moved that in the committee of supply, the estimates of the Ministry of Northern Affairs and Mines be considered following the estimates of the Management Board of Cabinet and that in the standing committee on administration of justice, the estimates of the Ministry of Consumer and Commercial Relations be considered following the estimates of the Ministry of the Attorney General.

Motion agreed to.

ANSWERS TO QUESTIONS IN ORDERS AND NOTICES AND RESPONSE TO PETITION

Hon. Mr. Nixon: I wish to table the answer to question 18, the interim answers to questions 19 to 45 inclusive and the response to a petition presented to the House, sessional paper 189 [see appendix, page 1325].

ORDERS OF THE DAY BUDGET DEBATE (continued)

Resuming the adjourned debate on the amendment to the motion that this House approves in general the budgetary policy of the government.

Mr. Allen: Last evening I was in the midst of remarks in the budget debate elaborating on my major proposition that while there were some substantial advances in the course of this budget, partly as a result of the accord between the Liberal Party and the New Democratic Party, none the less the budget itself had an overall Conservative cast. The proportions within it reflected the proportions that had prevailed in budgets in recent years.

I want to go on to make some remarks with respect to the area of educational budgeting, both in the elementary and secondary area and in the post-secondary area, to illustrate that fact and to remind us that at this time, when a new government is undertaking responsibility in the educational sector, it is very important that we do not lose sight of where we have been with respect to educational finance in this province.

The Treasurer (Mr. Nixon) has made much, for example, of the fact that he is providing a 5.4 per cent increase in the general legislative grants

being transferred to boards of education in this province. I want to remind him that while it would appear that figure runs slightly above the current rate of inflation, the experience on the receiving end is not always that grant levels that appear to be somewhat above the inflation rate end up being so at the other end.

I want to read to the Treasurer an observation to this effect from the response of the Association of Large School Boards in Ontario to last year's budget, which promised almost the same percentage, namely, five per cent. The statement is this:

"The Treasurer's contention that school boards received a five per cent increase in grants in 1984 leaves the impression that each school board has five per cent more in grants than in 1983 with which to cover staff salaries, supplies and the myriad other fixed costs associated with the operation of a school system.

"In fact, only three of the 13 largest school boards in Ontario actually received a grant increase of five per cent or more last year. School boards, out of necessity, must ask local residents and commercial taxpayers to pay more so that the same level of educational programs and services they received in 1983 can be maintained."

The first point I want to make, therefore, is that it does not necessarily follow that 5.4 per cent at this end is received as 5.4 per cent at the other end.

11:30 a.m.

I want to remind the Treasurer and all of us in this Legislature that grants at this time lie against a certain background of educational funding in this province which has not been altogether propitious for the promotion of the education of our children.

If one looks at a complete analysis of educational finance in Ontario from 1970-71 to 1980-81, which provides a base reference point, one notices that spending on education as a percentage of gross provincial product has declined rather dramatically in every sector of our education spending. Not only that, but it stands significantly below the national average of the other provinces.

In total spending during that decade there was a total decline of something like 20 per cent in the proportion of the gross provincial product devoted to education as a whole. Of that, 16 percentage points lie in the elementary and secondary level, there was a whole 35 per cent decline in the proportion of the gross provincial product devoted to post-secondary education and a whopping 40 per cent decline of the proportion

of gross provincial product devoted to vocational and occupational training.

That is the background against which we will have to measure what a Liberal government is doing at this point. Clearly, there have been major losses. Clearly also, those losses have been sustained in the context of a government that believed transfers in education had to be reduced and the province had to adopt a lesser responsibility for that field.

This shows up during the period from 1975-76 to 1984-85 when one looks at the proportion of the provincial budget devoted to education. In 1975-76, this province devoted 16.5 per cent of its provincial revenues to general legislative grants; in 1984-85, the immediate last year, that had dropped to 12.1 per cent. In other words, there was a loss of 25 per cent in the percentage of the provincial budget devoted to education.

It is not surprising that the boards and the teachers of this province continually barraged the ears of the previous Ministers of Education with respect to that decline. When one looks at what has happened to the decline from 1975-76 to 1984-85 in various parts of the province, one sees how dramatic it has been in terms of the proportion of the provincial share of local expenditures in education.

For example, in the Carleton Board of Education there was a decline of 12.7 per cent in the provincial share during that decade; in the Cochrane-Iroquois Falls Board of Education, a decline of 15.5 per cent; in the Fort Frances-Rainy River Board of Education, a decline of 10.6 per cent; in my own board in Hamilton, a decline of 18.4 per cent; and in the Lake Superior Board of Education, a decline of about 14 per cent. This is not to mention the decline in the very large school boards, such as the Toronto boards, where the decline has been even more dramatic.

With regard to the Treasurer's transfers, when one looks at the 5.4 per cent increase and takes away from that the anticipated capital expenditures and the approximately \$107 million that is devoted in the course of that budget period to the extension of separate school funding, one finds, as the Treasurer's own officials told our representative in the lockup, that there was no money left to increase the provincial proportion of the cost of education in Ontario.

Perhaps that is because the Treasurer himself was under a major misapprehension about how much that might cost, because there is a report of an interview between the Association of Large School Boards in Ontario and the Treasurer, which was held on August 26, 1985, in which the

Treasurer told the assembled boards the estimated cost of returning the provincial contribution to education to the 60 per cent level would be \$9 million a year.

I am not sure on what span of years that figure was calculated, but it would take a great many years to make up the difference and loss and move this province back to the 60 per cent share of funding. We estimate that if the promise made in the last election to move back to that figure over the life of this government were to be honoured, increases would specifically have to be earmarked at the level of 2.48 percentage points per year. That would mean the Treasurer would have to move somewhere in the order of \$150 million.

It may well be that the Treasurer, the Minister of Education (Mr. Conway) and the Premier (Mr. Peterson) do not wish to honour that commitment. There may be reasons they do not want to do that. However, that was not the message that has been given time and time again in response to educational groups in this province. If the Treasurer is not prepared to begin the march back in some significant way then he should tell us so we can reorient our thinking and perhaps approach him on some other proposition.

Hon. Mr. Nixon: The member means the march back to 60 per cent.

Mr. Allen: Yes. That admittedly entails significant funding, and the Treasurer knows that. However, I think we need to hear from him and the Minister of Education, as we have not heard to date what the policy is in that respect.

Mr. Nixon: The member understands the difficulties in trying to hit a moving target.

Mr. Allen: Yes. I also understand there are problems in educational finance in a number of other areas—commercial and industrial assessments, board autonomies and all sorts of issues. I concede it is not easy to solve those, but I simply submit that a lot of ground has been lost and that it would be appropriate and even politically wise for the present government to make a more significant move in that direction, even if it were not prepared to commit 60 per cent against the moving target. That is the point I want to make.

Hon. Mr. Nixon: It would take an extra \$1 billion to go to 60 per cent now.

Mr. Allen: To go to 60 per cent in one jump would be a major disaster. I do not think that could be asked of the Treasurer in any responsible way. I certainly would not do that. However, even to have hit 50 per cent this year, and then to have worked out the other problems of the

moving target, etc., would be a very sensible proposition.

I want to go on to refer to the field of post-secondary educational finance. I think the minister has not met the responsibilities incumbent on him by virtue of any number of studies that have been made of this issue and the actual circumstances that now prevail in the post-secondary system, and in particular in the universities.

It is simply not adequate, and I suggest it is following an established Tory tradition to move broad increases in operational grants at the level of inflation and then to add some additional goodies into the package on a one-shot basis. That has been the pattern year after year in this province under recent ministers. It is unfortunate the Treasurer has begun in precisely the same fashion.

A four per cent increase is simply not adequate for the university needs in this province by anybody's standards, including the very restrained ones exercised by the Bovey commission which recently reported to this province and this House.

11:40 a.m.

I am not going to say a \$50-million enrichment is not good for the universities, because any additional money is good for them. I am not even specifically concerned that it is targeted in some respects, which sometimes makes for problems of fluidity and flexibility in university governance. At the same time, I want to point out that by taking the components of the \$50 million, for example, and assessing them against the accumulated needs, one begins to get a sense of perspective.

The \$10 million is the first step in faculty renewal programming. The total faculty renewal program outlined by Bovey amounted to \$152 million. That was to be spread over a period of time. It was to be applied during the first five years, but through 10 years of cash flows and so on. Bovey went into an elaborate discussion of all that. As I recall, in the Bovey commission, the minimum cash flow required in order to meet a well worked out program of faculty renewal in the universities was somewhere in the order of \$20 million rising to \$30 million, \$35 million, and \$39 million in the fourth year of the exercise.

In this budget one really has only one half committed for one year, with no clear indication of whether this is going to be repeated or whether the universities can begin a program and expect this to be supplemented in the years ahead.

There is \$15 million for university research, including special equipment, experimental facilities, technical and professional research and support staff. The major concern in the Bovey commission with regard to research was the element of research overhead. There it indicated that to solve the cumulative problem of research overhead for the universities, both at the federal and provincial levels, required about \$100 million of input. There is a major problem. The Treasurer, in directing this money to research in a very diffuse series of objectives as distinct from a major concern such as research overhead, may well have missed a significant opportunity.

Again, the money is at a low level and there is not any commitment to repetition. There is \$25 million for library collection, scientific laboratory, computing, library and other instructional equipment.

Two years ago when the universities of this province, through the Council of Ontario Universities, undertook a fairly comprehensive review of their needs in the library acquisitions field and in the field of equipment replacement, they came to the conclusion that in order simply to get back to the level of funding of library acquisitions of 1971-72, it would be necessary to infuse a whole \$20 million into that alone and at the equipment replacement level I think the words were "a rational replacement program at the equipment level would require \$31 million."

We are talking of \$25 million on a one-shot basis as against a minimum requirement to get back to earlier levels of spending of some \$51 million. Again, the amount is a one-shot-only item. Universities are not, apparently, able to count on that being repeated.

The Treasurer, in the course of his proposal, which I praised last night, when asked to give some indication to those receiving transfers from the government about what the level of support would be a further year down the road, suggested that level of support ought to continue at four per cent for a subsequent year. The universities see themselves still treading that water.

I would remind the Treasurer that if at an earlier period he was very influenced by the work of Darcy McKeough in this province and some of his concerns for duplication and expensive programming in a number of areas where transfers were paid, much has happened since then. In the five years after Darcy McKeough sponsored the so-called Report of the Special Program Review the Treasurer referred to a few minutes ago in question period, the university sector budget declined to the point in this

province that if it had been maintained at the 1977-78 level through until 1983, the universities would have had \$500 million more to spend than they otherwise had.

In the interval there have been major cutbacks and major declines. I think for the Treasurer in effect to still be running the universities on what amounts to basically austerity level or inflation level increases, is indeed a major problem for those institutions.

One always asks where the money comes from and that is never an easy question to answer. But if one looks at government finance in Ontario, one discovers some significant problems in comparison with other provinces. For example, if one asks, "What is the relationship in the various provinces with respect to the amount of money they take in provincial revenues as a proportion of the wealth of the province as measured by the gross provincial product?" one discovers that the average for the nine provinces outside of Ontario is 25.3 per cent. Ontario takes in revenue as a percentage of the gross provincial product of 15.8 per cent, 40 per cent less than the average of the other nine provinces.

One may argue that perhaps that is a sign of good housekeeping, but equally one might well argue that the province has reached the point where it substantially underfunds major social services, educational enterprises, etc., in this province.

If one looks at the question with respect to the provincial personal income that individuals have to devote to the services that are important to them through government expenditure, one finds the average for the provinces outside of Ontario is 30.1 per cent. In Ontario, 18 per cent of the gross provincial personal income is devoted to government revenue. That is exactly the same gap again, a 40 per cent gap. I want to bring that to the attention of the Treasurer who, as I indicated last night, has to be viewed as a Progressive Conservative Treasurer in the perspectives of this budget.

The progressive items, I have noted. The conservative side, however, does concern me. If we are going to continue in the future with a budgetary style and content in this province which simply perpetuates the same proportions and the same priorities, then we are in trouble. I do not think the new Liberal government will offer those new opportunities that the province expected when it assumed power, and which to date it has shown itself to be reasonably satisfied with. I think there are problems down the road if those priorities and that style persist.

I would simply encourage the Treasurer to look very closely at the whole question of whether he is perpetuating an existing, outdated and irrelevant set of priorities to the needs of this province.

Let me conclude by making one or two remarks on the question I asked him earlier in question period; namely, the matter of the status of the Ontario Institute for Studies in Education. I am rather concerned that the Treasurer's approach to this issue is based on what is now a rather dated document, the Report of the Special Program Review done by Maxwell Henderson, the noted federal Auditor General, in 1975.

That is 10 years behind us and a lot of water has gone under the bridge since then. The relationship between the University of Toronto and OISE has changed substantially. They are not only much better, but institutions, joint committees and programs are in place which have enabled those two institutions to adjust their problems.

11:50 a.m.

Five years ago, for example, the two institutions adjusted their responsibilities by moving the higher education group from the University of Toronto into OISE itself and rationalized their offerings. The two institutions do not duplicate. The faculty of education at the University of Toronto is an undergraduate educational institution offering undergraduate training and bachelor degrees to prospective teachers.

OISE, as a provincial and, indeed, even a national institution, offers graduate degrees, graduate studies and research not only by individual members but also in response to a whole host of requests that come to it from educational institutions in this province. It has eight field centres across the province, which are very close and on-the-ground operations working hand in glove with local education authorities and providing unique programs of instruction and research to facilitate local educational activity.

The reputation of the institution in many of its offerings is worldwide. It has a distinctive character. There may be some duplication at the board level, and it may well be that some new adjustment of relationships between the two parties will yield some savings. That is not to be gainsaid. Whether the amount is very great is questionable. The Treasurer has not demonstrated that it will be large, but I do not think anyone has an objection in principle to the adjustment of those relationships or to a closer relationship between the two institutions.

But I hope the Treasurer will bear in mind the need of the institute to maintain an identity and to be able to protect itself and its own resources in the context of the struggle for priorities that takes place within a major institution like the University of Toronto. One would have to observe, without wishing to criticize the faculty of education in its attempt to maintain a quality program in the University of Toronto, that this faculty has suffered over the years in that struggle for priorities inside that mammoth university.

What OISE does preserve and protect with a separate and distinct budget is the priority of education research and graduate studies in a way that cannot lead to the diminution or dispersal of moneys that might otherwise be intended for education but find themselves in other budgets for other purposes within the play of forces that happens when a university does its internal budgeting. It must concern us that the uniqueness of this undertaking not be lost in whatever comes out of what the Treasurer has suggested. That is the main point I want to make.

Finally, it concerns me that the Treasurer took this step without any real attempt to consult with the parties in question at this time to see where they were in their negotiations, because there are new negotiations under way between those two parties. They have been proceeding satisfactorily and looked as though they were resolving themselves in a closer relationship. I would have hoped the Treasurer would find a way to endorse that process and help it along rather than to impose a preordained priority of his on that relationship.

With those remarks, I conclude my contribution to this debate. I hope the Treasurer has in this instance given us what might be viewed as an interim budget, and that we will see new perspectives and new hope for this province in new ways in a budget that will arrive in this House in May. I appreciate the Treasurer's complete honesty with us in this budget, the new processes of the budget, the estimates, etc., that he is going to set in play. I look forward to his future in this House as a Treasurer leading us down that road. But, of course, it will not be without criticism from this side or this member.

Mr. Ferraro: It is with pride and gratitude that I rise today to speak briefly on the budget presented by my colleague the Treasurer, the first budget of this new Liberal government.

Originally I had not intended to speak on the budget, but two things changed my mind. First, when I listened to the comments coming from the other side of this House, in particular from the

opposition party, I knew I could not sit still and not contribute my two cents' worth. Second, last night when I listened to the member for Sarnia (Mr. Brandt), I knew if I got up I could not do any worse.

I mentioned I was proud to speak today and, indeed, I am. I am proud not only to be a part of the first Liberal government in 42 years but also to be the member for Wellington South, knowing full well that the previous member, Mr. Worton, sat in opposition for 30 years. To some degree, I might add, it is unfortunate that he never had this opportunity.

Nevertheless, I am proud to be a part of this government and to be a part of this debate on the budget speech. It is an honour. I am grateful to my colleague the Treasurer and his entire staff for preparing what I believe is a sound first budget for this government. It is a sensitive and fiscally responsible document worthy of consideration by all members, and indeed by all the people in this province.

I will be brief, but I will also be speaking in general terms, the reason being that I wish to avoid regurgitation of points already made and to try to stem the tide of boredom that sets in to such debates, particularly on Friday afternoons.

The budget is a new beginning for the Liberal Party and for the province. The Treasurer has, as he indicated, wiped the slate clean of the last vestiges of inadequacy and confusion that remained from the previous government. Not only has he wiped the slate clean from the standpoint of good accounting procedures, but also from the standpoint of policy formulation.

The budget is a sensitive and honest first approach to dealing with many of the issues that affect the nine million people in this province, from unemployment to health care, the social service aspect, the transfer payments to the municipalities and boards. Having been on a number of such boards, I wish to reiterate a point made by the member for London South (Ms. E. J. Smith) last night. For the first time in a long time the boards are going to be able to plan in advance. That is a tremendous asset and I wish to emphasize that point.

The budget revenue recommendations, although unpalatable to many, particularly the opposition, are necessary. The Treasurer could have taken the easy route. He could have increased retail sales tax, as the Leader of the Opposition (Mr. F. S. Miller) indicated on a previous occasion, one, two or possibly three per cent. Everybody in this House knows that such an action would generate significantly greater

amounts of money, thereby negating the smaller amounts that were added to the various other programs. He did not take the easy route. The Treasurer wanted the income to be generated from the programs that cost the taxpayer.

He did so knowing full well that he was laying himself wide open to more criticism. It may be more difficult to justify but we Liberals are prepared to defend it. We are committed to fair, equal and sensitive taxation for all. In that regard, one thing is very evident from this budget. Those who can afford to pay, the rich and the corporations, are paying more. Those who cannot afford to pay are paying less, 390,000 of them. That is reasonable, logical and justifiable. No one likes to pay taxes, but everyone understands the need to pay taxes, some more than others.

12 noon

I noted with some interest that yesterday the Treasurer was presented with half a hamburger by the member for Scarborough Centre (Mr. Davis). Unfortunately, the member is not here today. There is some suspicion and innuendo going around the hallways that it was not a hamburger, but a tuna sandwich. It is typical of the former Conservative government to present half a hamburger. They presented half a policy for the last 42 years. No doubt the hamburger had sour pickles on it, indicative of the fact the former government left the people of this province in such a pickle. There must have been onions on this hamburger.

Mr. Leluk: It is the citizens of this province who are upset.

Mr. Ferraro: I understand why they are upset. It is difficult to pay for taxicabs now.

There must have been onions on this hamburger because it would make sense. When we look at the record of the previous government over the last 42 years, when we look at Minaki Lodge, Ontario Hydro, Deerhurst, and certainly the daddy of them all, Suncor, just as onions do, it has to bring a tear to the eyes of all the taxpayers of this province.

The most notable thing was that the presentation of the hamburger or tuna sandwich was wrapped. One could not really tell what it was. This is indicative of the policies and attitudes of the previous government. It concealed everything. It is not indicative of the policies and attitudes of this Liberal government. We are open. We have already seen that with the freedom of information legislation. We are prepared to present the facts to the people of this

province and let them decide. We do not wrap them in anything. We have nothing to hide.

Before one can run, one must walk. Before one can smell the flowers, one must plant the seeds. Indeed, if one is going to take off the old underwear, one better make sure there is a new pair to put on.

The Treasurer and this government have done just that. We are proudly walking, smelling, with a new and fresh look. It is a good beginning, although it is not as good as we would have liked. We would have liked to put a lot more money into it, but that would not have been fiscally responsible. I can say this with all the certainty I can muster. It is not as good as we would like for the people of this province, but it is certainly the best budget they have had in over 42 years.

Mr. McLean: Now we will hear some facts of the budget. We have now had an opportunity to digest the first budget of the Ontario Liberal government. Judging from the reaction I have heard and seen, we can sum up in one word who is going to benefit. The one word is nobody.

It is tough to know where to start on such a budget. I can share the Treasurer's dilemma. He has the enormous task of making four decades of good government and good management look bad. He has to appease his socialist friends. He has to pay some lipservice to some of those very elaborate campaign promises that were made. He was even short on the lipservice end of it.

He failed to mention a word about abolishing Ontario health insurance plan premiums and providing denticare for the needy. Retail operators and labour people were tough with their criticism. The retailers feel they are now in double jeopardy. The consumer has less money to spend because of Liberal fiscal follies. There is an increase in the tax burden on corporations. That impact will be felt in years to come. Cliff Pilkey, president of the Ontario Federation of Labour, says there is nothing for labour and the unemployed.

The Liberals dangled a \$375-million program to help youth employment. However, this scheme had been given thumbs-down treatment earlier in the budget week. This program merely lumps together six existing youth programs and adds \$25 million to those programs put in place by the previous government.

Stimulating the housing market is something the Liberals have to take another look at. They have increased the land transfer tax. This means that if one is buying a \$40,000 home, the transfer tax is now \$200; that is up from \$160 under the

previous government. On a \$200,000 house, the tax is now \$1,725; that is up from \$1,420.

That is the transfer tax. Excluded from that is the single-family residence located on agricultural land subject to farm tax rates. Members should pay special attention to this aspect of the Treasurer's budget. It is the only thing he has done for the farmer. He has helped him to get off the land. I guess in the business of farming one has to be grateful for small blessings.

The New Democratic Party will stick with the coalition even though the member for York South (Mr. Rae), the NDP leader, gives the budget only a C minus and has warned that the NDP may vote against some of the tax-raising aspects in it.

The Leader of the Opposition says this budget will put the brakes on the economic recovery of this province, and it will. Ontario has been coming out of the recession at a much better rate than that of any other province in Canada. The member for St. Andrew-St. Patrick (Mr. Grossman), at one time Treasurer, has criticized the budget write-off of some government assets. However, he does not intend to call for the Treasurer's resignation.

The Premier has acknowledged there is a shortfall between campaign promises made when the Liberals were trying to get elected and what has turned up in the budget. He adds that he would have liked to have had all of those promises included in the budget, "but"—and it is a big but—"we have to do this in a responsible fiscal way."

This would indicate to me that one does not have to make those election promises in a responsible fiscal way; just make them in an appealing way and get elected. Then one can tell one's constituents that one must act responsibly. That is just so much political chicanery. If one is going to be responsible, one should start acting that way during the election campaign, not when one is faced with the facts and has to act on those promises.

To add to the financial woes of this province, the Premier wants to bail out of Suncor regardless of the costs to the taxpayers of this province. This may be an ideal time to bail out, but at what price? Any fool can give money away. The Premier wants to give our money away, handing over this resource that cost \$650 million for \$160 million.

The leader of the Progressive Conservative Party could have sold those 13 million shares for \$450 million, but here we have the Premier giving away \$290 million for pure spite, just

because the stock was bought by the Conservative government of Bill Davis. The Leader of the Opposition and Tories could have saved us that much in one transaction.

It does not matter who bought the Suncor shares. It is up to the government either to sell the stock for the best price possible in the interest of saving the people of Ontario \$290 million or to hang on to it without downgrading the stock in the eyes of all the people of this province. The Premier's approach reminds me of the man who buys a car, has a little trouble with it, immediately puts a big lemon sign on it and then tries to sell it.

This budget can be considered a direct hit on Mr. and Mrs. Average Citizen of this province. The provincial budget gouges what amounts to a four per cent increase in income taxes. This can also amount to a drop of 10 percentage points in disposable income for the middle-income wage earner in this province. We must not lose sight of the fact that such taxation measures, when they outstrip the rate of inflation, lower the standard of living.

This is where we appear to be on this issue today. The present government is increasing its spending and its debt. It has tightened taxes on corporations and will do nothing to help the unemployed. Our provincial debt will climb this year by 30 per cent, from \$1.7 billion to \$2.2 billion.

12:10 p.m.

The highlight of the Treasurer's budget, as it is rendered for farmers, amounts to the main emphasis being on leaving the farming industry. Within the next few weeks, the Minister of Agriculture and Food (Mr. Riddell) is to announce details of a \$6-million transition fund to assist farmers leaving the agricultural industry.

This program is designed to confront the particular difficulties faced by tobacco-growing farmers. Not by a long shot does every farmer in this province grow tobacco. What about the rest of us? The Treasurer should realize lower cash receipts and heavy debts are forcing families off farms.

The Liberal government mentioned job creation was a major thrust of the party's election campaign. Then the Treasurer came out with a budget and increased the corporate income tax by 3.6 per cent. Is this job creation? I do not believe so. This will take \$200 million out of the economy in corporate income tax. Consider the job loss, rather than job creation, through this manoeuvre. It is common knowledge that every

tax increase results in job loss and some harm to the economy. However, the Treasurer tells us his budgetary strategy will improve the economy and create 180,000 jobs.

The Treasurer can take this as notice. We will be following the progress of this job creation scheme with interest. We will be requesting a status report from time to time on the number of jobs created.

Every budget since 1979 has had a program or programs very specifically designed to train, retrain or employ the unemployed over the age of 24, but not this one. Of course, these people do not qualify for the youth employment program. I would like to know what the Treasurer plans to do for the 386,000 people in this category. What is he going to do for them in a tangible way? I do not mean just making some other course available to them in a continuing education program. These people want to work and earn their keep; many of them do not want to return to school.

Let us reflect on the feeble job creation rendered in this budget. The government has not really come to the aid of the unemployed youth with its Futures scheme. It has, however, come to the aid of the fast-food chains, giving them cheap labour for four months at a time. This will not in any way amount to a skills training program. It amounts to subsidized labour and will short-circuit people seriously considering careers in a fast-food outlet.

They will not have much chance of tenure or permanency, no matter how good they are at their jobs. They will be treated just like one of the Colonel's chickens. However, they become mature for employment purposes at 16 weeks.

We do not have enough McDonald's, Burger King and Colonel Sanders outlets in my riding of Simcoe East really to get anything out of this scheme, although we do have a great many young people who have the desire to find worthwhile employment and become responsible members of society.

Both the Treasurer and the Minister of Northern Affairs and Mines (Mr. Fontaine) seem to agree motorists should be tackled and wrestled to a standstill. The Liberals have added an increase of 0.04 per cent per litre of gasoline.

Hon. Mr. Nixon: It is very small.

Mr. McLean: It is about 3.5 to four cents a gallon. According to the calculations I have, this could result in an increase of up to 30 per cent for drivers in northern Ontario. This is an added and harsh burden for our northern neighbours. They have considerably greater distances to travel than is often the case in southern portions of this

province. They also have fewer employment opportunities.

In my own riding of Simcoe East, we have a tremendous number of daily commuters to Toronto and other bigger centres. I feel this is a direct hit on them.

We are an industrial community in Simcoe East. It is a wonderful place to live and raise a family, but because of the nature of the area many of us must commute to our jobs. This added tax on gasoline is just adding to the financial burden faced by these hard-working people. Surely the Liberal government does not want to encourage them to give up their jobs and collect public assistance? I am not saying this added tax burden would result in this action by the residents of my riding, but somewhere along the line comes the straw that will break the camel's back.

As I mentioned earlier, the Minister of Northern Affairs and Mines appears not to object to this tax burden for his constituents. I want to make it abundantly clear that I do object to it. If my memory serves me right, the Treasurer and the Premier last spring made a commitment, for what it was worth, to freeze the ad valorem gasoline tax. They gave no hint of replacing it with a higher tax.

Is this another one of those vapour-thin promises made with more election fever than ever? I have to wonder whether the Treasurer is trying to sneak up on Ontario motorists while world gasoline prices are coming down. He sneaks in an increase in the tax, hoping nobody will notice, hoping the world price reduction will coincide with the tax increase and everybody will be content that the final price will not rise. About the only hope we have in this regard is that the gasoline tax increase will help to drive out the Liberal government.

We have a rental unit crisis in my area. In many areas in Toronto it is a classic situation, with a nil vacancy rate. I have not seen anything in this most recent budget from the Treasurer to show he is aware of this crisis, which could well become a disaster unless some very quick action is taken by the government. The Treasurer continues to blame our government for the situation he says he has inherited. He has been saying this since his party became the government and appears to be content to let the housing shortage get worse.

His budget provided for 10,000 new low-rental units for construction over the next three years. He says the private sector will come up with another 5,000 units over the same period.

Figures from the Treasurer's own government show there is an immediate need for almost 40,000 units by the end of 1986. The budget figures for rental units will cover the cost of little more than 20,000 homes, a shortfall of 50 per cent.

There is more discouraging news. We understand a major builder, Bramalea, is cancelling its projects for 1986 because of Liberal government policies now in effect in this province. I have to wonder if the Treasurer's policy is not to have any commitment to enough new rental housing.

I would like to conclude my remarks by simply saying I will be voting against the budget.

12:20 p.m.

Mr. Martel: I am sure that last comment came as a surprise to you, Mr. Speaker, as it did to me.

After having been here for 18 years, listening to the rantings of the Tories drives me around the bend. I have listened to many budget speeches and when I hear, for example, the member for Rainy River (Mr. Pierce) saying there is nothing in the budget, I have only to look at the speeches over the years of the Tory cabinet ministers as we tried to talk about problems that had to be resolved in the north.

We had people such as the member for Kenora (Mr. Bernier) getting up to say, "You people are just gloomers." What was his famous line about gloom and doom? When we talked about one-industry towns, we could not even penetrate their impervious skulls. They would say: "That is not really the case. There are no towns in northern Ontario like that." There is a litany of ghost towns in northern Ontario. We tried to talk to them, but they would not listen or could not hear; they knew better than anybody. They ran this province by the divine right of kings and ignored anyone else.

I hope to get through to my friend the Treasurer this morning on gasoline, if nothing else. Governments have never understood northern Ontario. They cannot even comprehend its size. I sometimes have difficulty with my own party on this. I recall getting a call one day from the provincial office. Somebody asked me, "Would you slide up to Wawa?" The slide was 330 miles one way. They wanted me to go to see one person in that one slide.

Governments have never understood the magnitude of northern Ontario. Most of their members come in by plane. They fly in because they do not want to ride on the roads. Since they fly in, distance does not seem to be that relevant. One could never get them to understand the size of northern Ontario.

That can be related to layoffs in a one-industry town. It is not like southern Ontario where one can drive to the next town and find a job, because in the north the next town could well be 75, 80, 85 or 100 miles away. When there is a layoff in Sudbury, it is not like a layoff in Cambridge. I am not saying that layoffs in Cambridge do not cause problems, but how long does it take one to go from Cambridge to Kitchener or Guelph? When one has a layoff in Sudbury, a one-industry town, and there is no government involvement to act as a catalyst to create a new industry, one is in trouble.

That is why we are in trouble in Sudbury and in many towns in northern Ontario.

Mr. Haggerty: If Sudbury is in trouble, so is Port Colborne.

Mr. Martel: So is Port Colborne. Government members do not understand size. They fly around in their planes. They might look out the window now and then, or they might say we have nice scenery in northern Ontario. However, we are talking about size, distance and lack of service. If an industry is going into southern Ontario, one has natural gas and other things. In northern Ontario, there is no natural gas; so a specific type of industry cannot develop.

A number of years ago I recommended a heritage fund or a tomorrow fund—

Mr. Haggerty: Lougheed picked that one up.

Mr. Martel: Yes, he picked that one up, and we moved it in 1977. The Minister of Northern Affairs and Mines is almost on that now. I did not want to name it the tomorrow fund, but there is a fund.

I want to tell my friend the Treasurer what else has to be done. His government has to become a catalyst. I am not saying the government should move in and start a crown corporation in the manufacturing sector. I am saying government has to become a catalyst to make things happen in northern Ontario. We have been extracting resources out of Sudbury for 100 years now, as we have in Timmins or Cobalt, but there is no secondary industry and no manufacturing.

When people come to northern Ontario and tell me what they are going to do for the north, I think they are crazy. They keep saying somebody is going to move north and do something. That is a lot of baloney. Unless government becomes a catalyst to attract industry and help in the planning, then development in the north is not going to occur.

The Treasurer might ask, "What does all this have to do with gasoline?" I say to the Treasurer that transportation is a problem; the cost of

gasoline is a problem. Even if one has a job, if one lives in Valley East, for example, and travels to Copper Cliff to work, that is roughly 30 miles each way per day. When the Treasurer slaps another little tax on gasoline, it proves very difficult for workers. Unlike in southern Ontario—if one is in the mines, for example—workers do not all start their shifts at the same time. Somebody starts at 1:30 p.m., somebody else at 2 p.m. and others at 2:30 p.m., 3 p.m. and 3:30 p.m.; so one has difficulty even getting into a car pool.

The other thing people do not understand about northern Ontario is that many communities have no type of municipal transportation service. One can travel in parts of my riding where there is no public transit; I have a whole string of little towns between Highway 69 south and Highway 17 east, and each of those towns is at least 30 miles from Sudbury.

We have a lot of old folks who cannot get on a bus to go to Sudbury, and every time the price of gasoline goes up—it is at least 15 cents a gallon more expensive than in southern Ontario—they really feel the effects, because they need their cars. They cannot go down to the corner and get on a subway or a bus; they have to use their cars.

These problems are all unique. For example, I know people who travel daily from Sturgeon Falls to Inco at Copper Cliff, and it has to be 70 miles one way. When the Treasurer jacks the tax up a bit, with that type of distance it really hurts. With the layoffs at Inco and Falconbridge, people who settled in Garson now, let us say, find themselves working not in Garson any longer but maybe in Levack, and they have to travel 40 or 50 miles one way each day.

I hope the Treasurer will find a solution to the gasoline problem in the north. He has a number of things he could do. He could have a price differential in the tax collected so the gasoline price would be nearly the same in the north as it is in the south. As we said in the accord, we could freeze it prebudget, not post-budget; I thought that was what we were talking about. Or perhaps he could average it out more evenly. However, he should not collect more as he is getting away from or eliminating that ad valorem tax.

That is the monster the Tories talk about. They abhor what is going on. I can understand their reluctance to see it jacked up, but the Tories never really opposed increased gasoline prices with any sincerity, because every time the price of gasoline went up, the ad valorem tax meant the Tories profited from it since it increased the amount that went into the budget.

The Treasurer has two or three options. I hope he will use one or two or three of them to ensure that he does not increase the price of gasoline in northern Ontario. There are just too many factors that cause northerners to spend a lot more on gasoline than people in southern Ontario do. We are now paying 15 cents more, and in many parts it is much higher than that.

12:30 p.m.

I want to turn to a subject that is not in the budget, but I want to talk about it anyway. I want to talk about sports. I am going to put this to my friend in writing in the next week, but I want to tell him here today that in Quebec last year the government spent \$60 million—a very conservative estimate, I must say—in treating kids who had sustained injuries from sports, and roughly the same the year before. Can we imagine spending \$60 million on accidents in sports? There is something wrong with where we are going.

I am going to talk about hockey, which interestingly ranks third in the number of serious sports accidents, I am told. I am waiting for the report that shows the other two. I have been raising this matter with the Tories for a long time; the first time was, along with the former member for Rainy River, when the Bill McMurtry study was done.

I also raised the matter when the McPherson study was done; and again last year when we learned that in Canada a survey done by Dr. Tator identified 48 spinal injuries in hockey during a period of seven and a half years between 1976 and 1983. The median age of those injured was 17 and the average age was 20. Of the total injuries, 29 were in Ontario and 37 were in organized games; 25 of the players struck the boards and 18 were pushed or checked from behind.

That was only 18 months ago across Canada. Now, 18 months later, the most recent study shows 88 spinal injuries, an increase of 40. Ontario has 44 of the 88; half of them are in Ontario. We have four times as many as Quebec, which has only 11. It is an interesting statistic that to treat and look after one quadriplegic costs \$1 million at a minimum. Not only are lives virtually ruined, but also treatment costs \$1 million over a lifetime—and Ontario has 44 of those injuries.

We know that 16 of these injuries were sustained when they slid into some object, 13 were checked or pushed and 22 were hit from behind. Let me tell members how many are permanently and totally injured. Of the 88, 53

have permanent damage, 24 complete motor loss and 24 complete sensory loss; 19 incomplete motor loss and incomplete sensory loss, and eight complete motor loss and incomplete sensory loss. This means 53 are partially or totally paralysed or left with some crippling, disabling injury. Of those confined by total loss, we are looking at a cost of more than \$1 million to look after a youngster who is seriously injured.

I used to talk to the ministers of the former government about this, and I might as well have talked to the wall. I might have made more progress trying to get the former government to do something if the government had been a stone wall.

Interjection.

Mr. Martel: It became obscene, because they even did a poll on that to see if they should move. I have the poll here for my friend, a former minister who is now interjecting.

In this poll, 55 per cent felt we had to enforce the rules and get rid of the violent behaviour in the game, 43 per cent said there should be stricter enforcement, 39 per cent said there should be better training of coaches and two per cent said the government should be involved. What did the government do? Nothing. They sat on their hands. I say it is criminal.

In the past 18 months, the number of spinal injuries in Ontario alone has increased by 15. There is something sick about a government and a society that will tolerate sports in which kids end up quadriplegic or paraplegic. The government did not have the guts to do a thing about it. The members sat on their hands.

The government did a poll, which said the government should not do anything. The government in its wisdom organized a sports medicine board. There are good people on the board. Unfortunately, when I said to the then minister, the member for Ottawa West (Mr. Baetz), "Let us make sure every accident in an arena is reported to the board; make it mandatory at least to give the material to the sports medicine board," he said we could not do that.

Mr. Leluk: What does the new minister say?

Mr. Martel: I am coming to that.

I wrote the various hockey associations to find out how many accidents each of them was reporting. If one is going to have a board to look at accidents, one has to have the statistics. We have never maintained a list of accidents that have occurred to hockey players, nor do we foresee the need to do so. We do not even have to report the accidents.

To the many letters I wrote, I got three replies. This is an indication, I say to the Treasurer, of what we can expect from these birds. We are infringing on the turf of the people who run hockey, and they do not think anyone should infringe or get involved. It does not matter that we have had 44 spinal injuries in Ontario in nine years. That is none of our business.

Mr. Leluk: Wait until the girls start playing on the boys' hockey teams. The member supports that, does he not?

Mr. Martel: I know. There are four girls already.

Mr. Cousens: He just got the member.

Mr. Martel: He did not get me. I know where I stand. I do not support it, quite frankly.

Interjections.

Mr. Martel: I am sorry. I am an individual, and I do not support it.

Mr. Mancini: The member for Sudbury East is a party man.

Mr. Martel: We will see on that one.

We have a poll which the Tories did and which shows people do not think government should be involved. The government established a board and then did not make it mandatory to report accidents to it. The member talked about window-dressing. I say it is criminal that those kids' lives have been ruined because the former government did not have the guts to do a thing about it.

Now my friends over there will do something.

Interjections.

Mr. Martel: Obviously, the members feel exercised about their unwillingness to do anything. The member for York West (Mr. Leluk) was in the cabinet, as well as the member for Durham West (Mr. Ashe) and the member for York Centre (Mr. Cousens). Why did they not do something? They knew what was going on.

Interjections.

12:40 p.m.

Mr. Martel: I know. Do not do anything. I have already spoken to the minister responsible, and we will have a meeting with the whole committee. I asked the present minister if he would meet with the group who did a study called, Play It Safe, and he is prepared to meet, unlike the former ministers who would not meet with us.

The Minister of Tourism and Recreation (Mr. Eakins) says he will meet with us. The Tories would not even meet with us. They refused categorically. Neither the member for Ottawa

West (Mr. Baetz) nor his friend the member for Ottawa South (Mr. Bennett) would meet with our group. But we have a meeting coming with this minister. The Tories would not meet with us.

Mr. Cousens: When?

Mr. Martel: We had one set up for October 17, which could not be met; but the date has been set.

I want to talk about the Sudbury economy for a few minutes with my friend the Treasurer—

Mr. Cousens: Finish the subject you are on.

Mr. Martel: I have for the time being. There are things coming, I guarantee it. There was the time the Tories watched 44 spinal injuries in Ontario and did not have the courage to do a thing about it. They should be proud of themselves, the whole bunch of them.

Mr. Leluk: That is why you are supporting having girls in boys' hockey.

Mr. Martel: I am not supporting it.

Mr. Cousens: Sucking and blowing at the same time.

Mr. Mancini: The member for York West sat on his hands and did nothing. He was in the cabinet. He could have made a difference and he did nothing.

Mr. Martel: They sat on their hands and did nothing. They did not have the courage to do anything.

Let me say to the Treasurer, the Sudbury region has some very serious problems. The Treasurer will recall that I met with the regional chairman in his office. We went over the statistics for Sudbury. Unlike the rest of the province, the Sudbury area's problem in terms of jobs, the age group we are having difficulty with, is those aged 25 to 46. The people who are drawing welfare and are employable are in that age group. It is not youth, because we learned a long time ago in the north that our youth has to leave to find jobs since the Tories did nothing to get secondary industry.

If one looks at the last 15-year pattern, we knew that youth was leaving the north because there were no jobs.

Interjections

Mr. Martel: I am talking about that. They set the stage with 42 years of budgets in which they did nothing for the north except exploit us.

We know where our kids are. The kids in the north have to leave the north to get jobs. That is why it is such a problem in Sudbury; they have already left.

Interjections

The Deputy Speaker: Order. Perhaps the member for Sudbury East would direct his comments to the chair and there would be fewer interjections.

Mr. Martel: I am trying very hard, Mr. Speaker.

I was simply saying that after 42 years of Tory budgets our young people know they have to leave the north to get jobs because outside of extraction, there are no jobs in the north for young people since there is no secondary industry. They allowed the exploitation because they are the ones who allowed, even in mining, section 104 of the Mining Act that gave one company after the other the exemptions to take the resource out of the north and process it in Europe or in the United States.

In 1969 we put an amendment to the Mining Act which said, "When you extract resources in Canada or Ontario, you process them here." Every year this motley group gave concessions from the act so they could process somewhere else. Consequently, we do not have processing in the north.

If one looks at Falconbridge Ltd., in the year 1985, Falconbridge has yet to refine a pound of nickel in Canada. They ship it to Norway. Inco is processing a substantial amount of its nickel in Clydach. They also process the precious metals, the platinum group, abroad.

The Tories had a study done in 1976. It is interesting. In 1976-77 there was a very excellent report done by Tom Mohide for the Ministry of Natural Resources. It recommended a whole series. It was called Towards a Nickel Policy for the Province of Ontario. The Ontario government totally ignored it. It just went on blithely giving yet another 10-year exemption to Falconbridge against processing here in Canada. It was the same with Inco and the platinum group, which is gold, silver and everything else. They are all processed somewhere else.

We wonder why we do not have jobs in the north. There are 26 or 30 exemptions to the mining industry. All they had to say was, "We cannot do it; we are going to have to close down," and they got another exemption. They picked up resources from northern Ontario, took them to some other country and then sent them back to us as a finished commodity.

Let me give an example of what they do with nickel. We send all our nickel out. Let me give the value of nickel products a couple of years ago. In 1981 we imported \$21-million worth of stainless steel cutlery, \$40-million worth of

stainless steel surgical instruments, \$241-million worth of nickel valves, \$33-million worth of heat exchangers, \$22-million worth of dairy and milk product plant machinery, \$92-million worth of X-ray equipment and \$83-million worth of gas turbines and parts. The list goes on and on of nickel products made somewhere else from nickel extracted from the ground in Sudbury. We continue to give mining exemption after mining exemption to process the nickel abroad. No jobs and no tax.

We looked at Inco in 1978 at the time of the first big layoff. In 1971, Inco paid \$1 million provincial tax and \$500,000 federal tax on a profit of more than \$100 million. It had at least 19,000 people working then. Now they are down to 7,000. Falconbridge will be down from 3,600 to about 1,700.

What is the value of the material we are taking out of the ground if we are not going to get tax dollars and jobs? We do not even demand the completion of the processing and we allow it to be sent out of Canada to be processed. What is the sense of even taking it out of the ground?

I used to say that many years ago and the government of the day would say, "It is nice to get a bunch of jobs." Sudbury dropped from fifth to 76th on the economic totem pole with respect to wages under the Tory regime. There has been nothing put in by the private sector in Sudbury except an occasional expansion.

Let me tell the members what has just happened. The Tories will enjoy this one. A small company that produces mining equipment was going to move part of its operation to Sudbury. Sinclair Stevens—some members know that clown—offered that company \$8 million to locate in Glace Bay. This industry that was coming to Sudbury to create jobs has now been offered \$8 million and rail subsidies for three years.

Mr. Cousens: The member should get his facts right.

Mr. Martel: I have my facts right.

Mr. Cousens: The member has no proof or knowledge that it was coming to his little town of Sudbury.

Mr. Speaker: The member for Sudbury East has the floor.

12:50 p.m.

Mr. Martel: The member is wrong. I have met with these people. I will put it in his ear.

They have been offered \$8 million. Sinclair Stevens needs some industry to go to—

Interjection.

Mr. Martel: Yes. I met with the regional people; I have met with the staff from the ministry since. But \$8 million was offered to go to Nova Scotia because the Tories closed down the heavy water plant.

We thought we were establishing the basis—I have always taken the position in the north that one has to use the products that are in the north to create industry in the north for the young people in the north. I am not saying we should make silk stockings with silk imported from Japan. I am saying we should provide the mining equipment in the north, because that is where it is necessary.

Canada is the third largest producer of mineral wealth in the world. In 1981 we imported \$727 million worth of mining equipment, and that was a 229 per cent increase over six years. We had a trade deficit of \$590 million in mining equipment. We are the largest importer of mining equipment in the world. Is that not wonderful? We are the third largest producer of mineral wealth, and the single largest importer of mining equipment in the world is Canada, and Ontario primarily.

The province has to become the catalyst. I am not saying it should start a mining company; I am saying it can become involved through economic planning to attract industry to areas using what is there for the benefit of the people who are there. Mining equipment is one area that would help to resolve the problem. When the company from Toronto wanted to come to Sudbury, Sinclair Stevens offered it \$8 million to go to Glace Bay. That is a great way to run a country, is it not? They close down the heavy water plant and then they need jobs.

Here is another example of what the Treasurer and his government could do. There is a phosphate deposit in the riding of his colleague the member for Cochrane North (Mr. Fontaine). I am going to make only two points just to show members how silly things have been. I attempted to get the government to look at this, as did my colleague the member for Nickel Belt (Mr. Laughren), because if one took the phosphates from Cargill township and combined them with sulphuric acid, one would get fertilizer.

I tried to get Pope interested in it. He and Piché made a—

Hon. Mr. Nixon: Does the member mean Alan Pope, the candidate for leadership—

Mr. Martel: Yes.

Hon. Mr. Nixon: —or the one in the Vatican?

Mr. Martel: No. "Alan Pope Assures Piché Jobs Won't be Exported." When we raised it in

the House, Piché jumped up and got into it and said, "They are going to steal jobs from the Kapuskasing area." They are not mining it yet, by the way. What the member for Nickel Belt and I were suggesting is that you take the phosphates from there and the sulphuric acid from Inco, which is going up the stack in the form of gas, and combine the two.

The company said no. The member for Cochrane South (Mr. Pope) was not interested; he was not going to export jobs. The company phones the member for Nickel Belt and says, "No, we cannot do that." The reason they could not combine the two products was that they wanted to take it to the United States. But there was an even better reason they could not do it: they could not get a guaranteed supply of sulphuric acid, Mr. Topp said. Can the members imagine?

In fact, Inco could produce another third more sulphuric acid today than it produces. It will not, because it would glut the market for sulphuric acid. So instead of taking it out of the stack and converting it to sulphuric acid, it goes up the stack and we have some more acid rain.

Sherritt Gordon cannot do anything about this. They say, "We cannot get involved because we cannot get a guaranteed supply of sulphuric acid." I am quoting from the business magazine in northern Ontario. They do not have a guaranteed supply of sulphuric acid. That is nonsense. We have got more sulphuric acid than we know what to do with and we cannot produce it any more because we cannot sell it, so we let it go up the stack.

Another thing the province should be looking at is the possibility of taking the stuff from Cargill in the north, the sulphuric acid from Inco, reducing the emissions, converting to sulphuric acid and producing fertilizer right in the north. It makes a little sense, but we could not get the last government to look at it nor could we get the federal government to look at it.

We sent these things off to both the federal and provincial governments in a report my colleague the member for Nickel Belt and I wrote called A Challenge to Sudbury. Most of the ideas in A Challenge to Sudbury came from federal and provincial government documents. My col-

league and I stayed away from talking about nationalization of resources, because we knew the government might not look at it if we called for it.

Hon. Mr. Nixon: When did that start?

Mr. Martel: No, in this document. I wanted a possibility of succeeding, but they would not even review the possibilities. There are things we can do in the north with resources utilized in the north, but we have to have the will.

We have to get a government that becomes a catalyst. I would say to my friend the Treasurer, start a committee to put proposals such as this, using the studies that have already been done, making suggestions that governments will look at seriously to try to resolve the dilemma of northern Ontario, which is to pay high taxes, to see all the kids get educated at high cost and leave the north to find jobs because they cannot get jobs in the north.

Every time a new mine is opened up, the first shovelful is the beginning of the end. This ever-continuing extraction of raw materials and putting nothing back is what makes the north somewhat hostile to the southern part of Ontario. We want our share of the good things that are in Ontario for our kids and for what we do. There is a way of doing it without government. I know this government would worry, although not as much as the Tories, about government getting involved.

We have to plan and government has to become part of that planning; not ad hoc, but very systematically, sector by sector in the north, utilizing what we have there for the benefit of our people and the overall benefit of Ontario. We have the resources and we are asking for a government that is prepared to look at the north and give us a share of some of the amenities that come from secondary industry and security in terms of jobs for our kids.

I am now looking at the clock, as my friend points at it. I will sit down.

On motion by Mr. Martel, the debate was adjourned.

The House adjourned at 1 p.m.

APPENDIX A

ANSWERS TO QUESTIONS IN ORDERS AND NOTICES SCHOOL BOARDS

SCHOOL BOARDS

18. Ms. Gigantes: Will the Minister of Education prepare and provide an analysis of: (1) the current minority-majority language elected representation on public and separate boards of education; and (2) the current minority-majority language enrolment in public and separate boards of education for those boards which will be affected by legislation to guarantee minority language representation? [Tabled October 15, 1985]

Hon. Mr. Conway: All trustees on public and separate school boards are currently elected by electors who support either the public or separate school systems. They are not elected on the basis of language and hence cannot be identified as representing either of the official language constituents.

Statistics regarding the current minority-majority language enrolment in all public and separate school boards are currently available. Since legislation to guarantee minority language representation is being drafted now, it is not possible to indicate yet which public and separate school boards will be affected by the new legislation. However, these statistics will be made available as soon as the new legislation is ready for discussion.

INTERIM ANSWER

19 to 45. Mr. Andrewes et al: Hon. Ms. Caplan—The information required will take longer than the normal 14 days to prepare. The

answers should be available by about December 31, 1985.

RESPONSE TO PETITION

TEACHERS' LABOUR DISPUTE

Sessional paper 189, re Wellington county high school teachers' strike.

Hon. Mr. Conway: The Ministry of Education is pleased to acknowledge receipt of the petition about the Wellington county high school teachers' strike.

The School Boards and Teachers Collective Negotiations Act established the Education Relations Commission. One of the responsibilities of the commission is to provide such assistance to the parties as may facilitate the making or renewing of agreements. In this regard, the commission has appointed an experienced, able mediator who maintains constant communication with the parties. The latest mediation session commenced on October 22, 1985.

A further responsibility of the commission is to advise the Lieutenant Governor in Council when, in the opinion of the commission, the continuance of a strike will place in jeopardy the successful completion of courses of study by the students. As of this date, the commission has not yet advised the Lieutenant Governor in Council that there is jeopardy.

Every effort is being made to achieve a locally negotiated settlement.

APPENDIX

ALPHABETICAL LIST OF MEMBERS*

(124 members)

First Session, 33rd Parliament

Lieutenant Governor: Hon. L. M. Alexander, PC, QC**Speaker: Hon. H. A. Edighoffer****Clerk of the House: R. G. Lewis, QC**

Allen, R. (Hamilton West NDP)
 Andrewes, P. W. (Lincoln PC)
 Ashe, G. L. (Durham West PC)
 Baetz, R. C. (Ottawa West PC)
 Barlow, W. W. (Cambridge PC)
 Bennett, C. F. (Ottawa South PC)
 Bernier, L. (Kenora PC)
 Bossy, M. L. (Chatham-Kent L)
Bradley, Hon. J. J., Minister of the Environment (St. Catharines L)
 Brandt, A. S. (Sarnia PC)
 Breaugh, M. J. (Oshawa NDP)
 Bryden, M. H. (Beaches-Woodbine NDP)
 Callahan, R. V. (Brampton L)
Caplan, Hon. E., Chairman of the Management Board of Cabinet and Minister of Government Services (Oriele L)
 Charlton, B. A. (Hamilton Mountain NDP)
Conway, Hon. S. G., Minister of Education (Renfrew North L)
 Cooke, D. R. (Kitchener L)
 Cooke, D. S. (Windsor-Riverside NDP)
 Cordiano, J. (Downsview L)
 Cousens, W. D. (York Centre PC)
 Cureatz, S. L. (Durham East PC)
Curling, Hon. A., Minister of Housing (Scarborough North L)
 Davis, W. C. (Scarborough Centre PC)
 Dean, G. H. (Wentworth PC)
Eakins, Hon. J. F., Minister of Tourism and Recreation (Victoria-Haliburton L)
Edighoffer, Hon. H. A., Speaker (Perth L)
Elston, Hon. M. J., Minister of Health (Huron-Bruce L)
 Epp, H. A. (Waterloo North L)
 Eves, E. L. (Parry Sound PC)
 Ferraro, R. E. (Wellington South L)
 Fish, S. A. (St. George PC)
Fontaine, Hon. R., Minister of Northern Affairs and Mines (Cochrane North L)
 Foulds, J. F. (Port Arthur NDP)
Fulton, Hon. E., Minister of Transportation and Communications (Scarborough East L)
 Gigantes, E. (Ottawa Centre NDP)
 Gillies, P. A. (Brantford PC)

Gordon, J. K. (Sudbury PC)
 Grande, T. (Oakwood NDP)
Grandmaitre, Hon. B. C., Minister of Municipal Affairs (Ottawa East L)
 Gregory, M. E. C. (Mississauga East PC)
 Grier, R. A. (Lakeshore NDP)
 Grossman, L. S. (St. Andrew-St. Patrick PC)
 Guindon, L. B. (Cornwall PC)
 Haggerty, R. (Erie L)
 Harris, M. D. (Nipissing PC)
 Hayes, P. (Essex North NDP)
 Henderson, D. J. (Humber L)
 Hennessy, M. (Fort William PC)
 Jackson, C. (Burlington South PC)
 Johnson, J. M. (Wellington-Dufferin-Peel PC)
 Johnston, R. F. (Scarborough West NDP)
Kerrio, Hon. V. G., Minister of Natural Resources and Minister of Energy (Niagara Falls L)
Keyes, Hon. K. A., Solicitor General and Minister of Correctional Services (Kingston and the Islands L)
 Knight, D. S. (Halton-Burlington L)
Kwinter, Hon. M., Minister of Consumer and Commercial Relations (Wilson Heights L)
 Lane, J. G. (Algoma-Manitoulin PC)
 Laughren, F. (Nickel Belt NDP)
 Leluk, N. G. (York West PC)
 Lupusella, A. (Dovercourt NDP)
 Mackenzie, R. W. (Hamilton East NDP)
 Mancini, R. (Essex South L)
 Marland, M. (Mississauga South PC)
 Martel, E. W. (Sudbury East NDP)
 McCaffrey, R. B. (Armourdale PC)
 McCague, G. R. (Dufferin-Simcoe PC)
 McClellan, R. A. (Bellwoods NDP)
 McFadden, D. J. (Eglinton PC)
 McGuigan, J. F. (Kent-Elgin L)
 McKessock, R. (Grey L)
 McLean, A. K. (Simcoe East PC)
 McNeil, R. K. (Elgin PC)
 Miller, F. S. (Muskoka PC)
 Miller, G. I. (Haldimand-Norfolk L)
 Mitchell, R. C. (Carleton PC)
 Morin, G. E., Deputy Chairman of Committee of the Whole House (Carleton East L)

Morin-Strom, K. (Sault Ste. Marie NDP)

Munro, Hon. L. O., Minister of Citizenship and Culture (Hamilton Centre L)

Newman, B. (Windsor-Walkerville L)

Nixon, Hon. R. F., Treasurer of Ontario and Minister of Economics and Minister of Revenue (Brant-Oxford-Norfolk L)

O'Connor, T. P. (Oakville PC)

Offer, S. (Mississauga North L)

O'Neil, Hon. H. P., Minister of Industry, Trade and Technology (Quinte L)

Partington, P. (Brock PC)

Peterson, Hon. D. R., Premier and President of the Council and Minister of Intergovernmental Affairs (London Centre L)

Philip, E. T. (Etobicoke NDP)

Pierce, F. J. (Rainy River PC)

Poirier, J. (Prescott-Russell L)

Pollock, J. (Hastings-Peterborough PC)

Polsinelli, C. (Yorkview L)

Pope, A. W. (Cochrane South PC)

Pouliot, G. (Lake Nipigon NDP)

Rae, R. K. (York South NDP)

Ramsay, D. (Timiskaming NDP)

Reville, D. (Riverdale NDP)

Reycraft, D. R. (Middlesex L)

Riddell, Hon. J. K., Minister of Agriculture and Food (Huron-Middlesex L)

Rowe, W. E. (Simcoe Centre PC)

Runciman, R. W. (Leeds PC)

Ruprecht, Hon. T., Minister without Portfolio (Parkdale L)

Sargent, E. C. (Grey-Bruce L)

Scott, Hon. I. G., Attorney General (St. David L)

Sheppard, H. N. (Northumberland PC)

Shymko, Y. R. (High Park-Swansea PC)

Smith, D. W. (Lambton L)

Smith, E. J. (London South L)

Sorbara, Hon. G. S., Minister of Colleges and Universities and Minister of Skills Development (York North L)

South, L. (Frontenac-Addington L)

Stephenson, B. M. (York Mills PC)

Sterling, N. W. (Carleton-Grenville PC)

Stevenson, K. R. (Durham-York PC)

Swart, M. L. (Welland-Thorold NDP)

Sweeney, Hon. J., Minister of Community and Social Services (Kitchener-Wilmot L)

Taylor, J. A. (Prince Edward-Lennox PC)

Timbrell, D. R. (Don Mills PC)

Treleaven, R. L., Deputy Speaker and Chairman of Committee of the Whole House (Oxford PC)

Turner, J. M. (Peterborough PC)

Van Horne, Hon. R. G., Minister without Portfolio (London North L)

Villeneuve, N. (Stormont, Dundas and Glengarry PC)

Ward, C. C. (Wentworth North L)

Warner, D. W. (Scarborough-Ellesmere NDP)

Wildman, B. (Algoma NDP)

Wiseman, D. J. (Lanark PC)

Wrye, Hon. W. M., Minister of Labour (Windsor-Sandwich L)

Yakabuski, P. J. (Renfrew South PC)

MEMBERS OF THE EXECUTIVE COUNCIL

Peterson, Hon. D. R., Premier and President of the Council and Minister of Intergovernmental Affairs

Nixon, Hon. R. F., Treasurer of Ontario and Minister of Economics and Minister of Revenue

Conway, Hon. S. G., Minister of Education

Bradley, Hon. J. J., Minister of the Environment

Caplan, Hon. E., Chairman of the Management Board of Cabinet and Minister of Government Services

Fontaine, Hon. R., Minister of Northern Affairs and Mines

Scott, Hon. I. G., Attorney General

Riddell, Hon. J. K., Minister of Agriculture and Food

Eakins, Hon. J. F., Minister of Tourism and Recreation

Kerrio, Hon. V. G., Minister of Natural Resources and Minister of Energy

O'Neil, Hon. H. P., Minister of Industry, Trade and Technology

Sweeney, Hon. J., Minister of Community and Social Services

Elston, Hon. M. J., Minister of Health

Wrye, Hon. W. M., Minister of Labour

Grandmaître, Hon. B. C., Minister of Municipal Affairs

Curling, Hon. A., Minister of Housing

Fulton, Hon. E., Minister of Transportation and Communication

Keyes, Hon. K. A., Solicitor General and Minister of Correctional Services

Kwinter, Hon. M., Minister of Consumer and Commercial Relations

Munro, Hon. L. O., Minister of Citizenship and Culture

Sorbara, Hon. G. S., Minister of Colleges and Universities and Minister of Skills Development

Van Horne, Hon. R. G., Minister without Portfolio

Ruprecht, Hon. T., Minister without Portfolio

PARLIAMENTARY ASSISTANTS

Cordiano, J., assistant to the Minister of Colleges and Universities (Downsview L)

Epp, H. A., assistant to the Treasurer (Waterloo North L)

Ferraro, R. E., assistant to the Minister of Industry, Trade and Technology (Wellington South L)

Haggerty, R., assistant to the Minister of Government Services (Erie L)

Henderson, D. J., assistant to the Minister of Community and Social Services (Humber L)

Mancini, R., assistant to the Premier (Essex South L)

McGuigan, J. F., assistant to the Minister of Natural Resources and the Minister of Energy (Kent-Elgin L)

McKessock, R., assistant to the Solicitor General and Minister of Correctional Services (Grey L)

Miller, Mr. G. I., assistant to the Minister of Agriculture and Food (Haldimand-Norfolk L)

Offer, S., assistant to the Minister of Consumer and Commercial Relations (Mississauga North L)

Poirier, J., assistant to the Minister of the Environment (Prescott-Russell L)

Polsinelli, C., assistant to the Minister of Labour (Yorkview L)

Reycraft, D. R., assistant to the Minister of Education (Middlesex L)

Sargent, E. C., assistant to the Minister of Tourism and Recreation (Grey-Bruce L)

Ward, C. C., assistant to the Minister of Health (Wentworth North L)

STANDING COMMITTEES

Administration of justice: chairman, Mr. Brandt; vice-chairman, Ms. Fish; members, Messrs. Callahan, D. R. Cooke, Ms. Gigantes, Messrs. Knight, McFadden, O'Connor, Partington, Polsinelli and Warner; clerk, F. Carrozza.

General government: chairman, Mr. McCague; vice-chairman, Mr. Dean; members, Messrs. Epp, Hennessy, McKessock, Poirier, Pouliot, Swart, Villeneuve, Ward and Wiseman; clerk, T. Decker.

Members' services: chairman, Mr. J. M. Johnston; vice-chairman, Mr. Lane; members, Messrs. Laughren, Mackenzie, McKessock, G. I. Miller, Mitchell, Poirier and Rowe; clerk, D. Deller.

Ombudsman: chairman, Mr. McNeil; vice-chairman, Sheppard; members, Messrs. Baetz, Bossy, Hayes, Henderson, Morin, Newman, Philip, Pierce and Shymko; clerk, T. Decker.

Procedural affairs and agencies, boards and commissions: chairman, Mr. Breaugh; vice-chairman, Mr. Mancini; members, Mr. Bossy, Mrs. Marland, Messrs. Martel, McCaffrey, Morin, Newman, Sterling, Treleaven and Warner; clerk, S. Forsyth; assistant clerk, T. Decker.

Public accounts: chairman, Mr. Eves; vice-chairman, Mr. Runciman; members, Messrs. Ashe, Cordiano, Epp, Gillies, Leluk, Philip, Polsinelli, D. W. Smith and Wildman; clerk, F. Carrozza.

Regulations and private bills: chairman, Mr. Callahan; vice-chairman, Mr. Offer; members, Ms. Bryden, Messrs. Cousens, Grande, Haggerty, McGuigan, G. I. Miller, Pollock, Turner and Yakabuski; clerk, D. Deller.

Resources development: chairman, Mr. Laughren; vice-chairman, Mr. Ramsay; members, Messrs. Barlow, Ferraro, Gordon, Hayes, McGuigan, Rowe, D. W. Smith, South and Stevenson; clerk, D. Arnott.

Social development: chairman, Mr. R. F. Johnston; vice-chairman, Mr. Allen; members, Messrs. Bernier, Davis, Epp, Guindon, Jackson, G. I. Miller, Offer, Reville and Reycraft; clerk, L. Mellor; assistant clerk, D. Deller.

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Energy: chairman, Mr. Andrewes; members, Messrs. Ashe, Charlton, Cureatz, Gordon, Mrs. Grier, Messrs. Haggerty, McGuigan, McLean, Sargent and Ward; clerk, F. Carrozza.

Environment: chairman, Mr. Knight; members, Messrs. Brandt, Charlton, Ms. Fish, Mr. Gillies, Mrs. Grier, Messrs. Haggerty, Poirier, Sargent, Shymko and South; clerk, T. Decker.

Health: chairman, Mr. Callahan; members, Messrs. D. S. Cooke, Cousens, Ms. Gigantes, Messrs. Henderson, Mancini, Partington, Pierce, Reycraft, Miss Stephenson and Mr. Ward; clerk, D. Deller.

*The lists in this appendix, brought up to date as necessary, are published in Hansard on the first Friday of each month and in the first and last issues of each session.

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Barlow, W. W. (Cambridge PC)
Breaugh, M. J. (Oshawa NDP)
Bryden, M. H. (Beaches-Woodbine NDP)
Caplan, Hon. E., Chairman of Management Board of Cabinet and Minister of Government Services (Oriole L)
Cousens, W. D. (York Centre PC)
Edighoffer, Hon. H. A., Speaker (Perth L)
Ferraro, R. E. (Wellington South L)
Fish, S. A. (St. George PC)
Gigantes, E. (Ottawa Centre NDP)
Gillies, P. A. (Brantford PC)
Gordon, J. K. (Sudbury PC)
Haggerty, R. (Erie L)
Kerrio, Hon. V. G., Minister of Natural Resources and Minister of Energy (Niagara Falls L)
Keyes, Hon. K. A., Solicitor General and Minister of Correctional Services (Kingston and the Islands L)
Lane, J. G. (Algoma-Manitoulin PC)
Laughren, F. (Nickel Belt NDP)
Leluk, N. G. (York West PC)
Mackenzie, R. W. (Hamilton East NDP)
Mancini, R. (Essex South L)
Martel, E. W. (Sudbury East NDP)
McClellan, R. A. (Bellwoods NDP)
McFadden, D. J. (Eglinton PC)
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Nixon, Hon. R. F., Treasurer of Ontario and Minister of Economics and Minister of Revenue (Brant-Oxford-Norfolk L)
Peterson, Hon. D. R., Premier and President of the Council and Minister of Intergovernmental Affairs (London Centre L)
Rae, R. K. (York South NDP)
Riddell, Hon. J. K., Minister of Agriculture and Food (Huron-Middlesex L)
Rowe, W. E. (Simcoe Centre PC)
Scott, Hon. I. G., Attorney General (St. David L)
Stevenson, K. R. (Durham-York PC)
Swart, M. L. (Welland-Thorold NDP)
Treleaven, R. L., Deputy Speaker and Chairman (Oxford PC)
Wildman, B. (Algoma NDP)



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Hansard

Official Report of Debates

Legislative Assembly of Ontario

First Session, 33rd Parliament
Monday, November 4, 1985


Speaker: Honourable H. A. Edighoffer
Clerk of the House: R. G. Lewis, QC



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LEGISLATIVE ASSEMBLY OF ONTARIO

Monday, November 4, 1985

The House met at 2 p.m.

Prayers.

PREMIER'S COMMENTS

Mr. Gillies: On a point of privilege, Mr. Speaker: On Friday morning after question period, in response to the revelation by the member for Oshawa (Mr. Breaugh) that there was a hole in the floor near his seat, the Premier (Mr. Peterson) was heard to interject to me: "It is a rathole, Phil. Why do you not crawl into it?"

I know, Mr. Speaker, that it is not for you to judge whether it is appropriate for the first minister to address another member in that way, but I would ask you to consider whether any member should address another member in this chamber in that fashion—in fact, whether it is parliamentary or not.

Mr. Speaker: I thank the member. I will certainly take a look at it. However, I would like to inform the member, and it might be the appropriate time to inform all members, that this certainly is not a point of privilege. There is the possibility that it is close to a point of order.

STATEMENTS BY THE MINISTRY

ANNUAL REPORT, ONTARIO ADVISORY COUNCIL ON THE PHYSICALLY HANDICAPPED

Hon. Mr. Ruprecht: I am pleased to table the 10th annual report of the Ontario Advisory Council on the Physically Handicapped for the year ending March 31, 1985.

The government of Ontario welcomes the advice of the Ontario Advisory Council on the Physically Handicapped. I am particularly pleased to have been given special responsibilities for matters relating to disabled persons. It is important that the government continue to extend its efforts so that persons with disabilities can participate fully in all aspects of Ontario life.

In the short time I have been involved with the council, I have been impressed by the calibre of its recommendations. This annual report reflects the considerable amount of work that the 16 members of council, under the chairmanship of Ron McInnes, have done on a wide range of subjects.

I look forward to working with the Ontario Advisory Council on the Physically Handicapped to ensure that its views are shared with this government and that actions are taken that respond to the needs and abilities of our disabled citizens.

I wish at this time to thank Mr. McInnes, who is in the gallery, and the advisory council for its fine report.

PROPERTY TAX GRANTS

Hon. Mr. Nixon: I would like to inform the House that on October 25 the Ministry of Revenue commenced mailing the second instalment of the 1985 Ontario property tax grant cheques to eligible senior citizens throughout the province. I am very proud of this.

On August 23 my ministry mailed out more than 635,000 application forms for this instalment. By the middle of last week, with the mailing of applications to persons turning 65 in August and September, this total had risen to 654,000 applications. Seniors turning 65 in October, November and December of 1985 will receive applications in January 1986. As of October 30, 580,000 applications had been returned, of which 573,000 have been fully processed.

As honourable members will recall, the first instalment of up to \$250 of the property tax grant was received by seniors in April of this year. These recent applications, therefore, determine the amount of the second and final payment owed to each applicant during 1985, which, in turn, will be the basis for the 1986 interim payments.

As this matter will be of great interest to their constituency offices and to the senior citizens in their ridings, may I remind the members that for seniors who turn 65 this year and who did not, therefore, receive the first instalment of the grant, the full year's entitlement to a maximum of \$500 will be issued to them in the form of one cheque with my name on it.

I am pleased to report that as of last Friday we had mailed some 568,000 cheques totalling close to \$142 million and that the average value of each cheque was approximately \$250. Mailouts will continue on a regular basis until all applications are returned and processed.

As well, starting Friday, November 29, my ministry will be sending out the annual \$50 sales tax grant to seniors who have turned 65 by September. Ontario residents turning 65 in the last three months of 1985 will receive their sales tax credit in January 1986.

I would like to thank the members for the assistance and co-operation of their constituency offices in the successful administration of this program.

ORAL QUESTIONS

Mr. F. S. Miller: I would like to address a question to the Treasurer. I should point out first that we were very interested to notice the chief of staff of the Premier having breakfast at the Park Plaza with the Honourable Keith Davey this morning and wondered whether advice was being given by one to the other or just what.

Hon. Mr. Nixon: Is that the first question?

Mr. Speaker: I presume so.

Mr. F. S. Miller: Just a comment.

Hon. Mr. Nixon: I had breakfast with him once myself.

Mr. Speaker: Supplementary. Place your question, please.

Mr. F. S. Miller: I will be glad to, but it was an interesting tête-à-tête.

JOB CREATION

Mr. F. S. Miller: I would like to ask the Treasurer just why he fell asleep in the budget he brought out recently and forgot all about the small-business job-creation tax credit his Premier (Mr. Peterson) talked so much about during the election campaign. It took a meeting of the young Liberals this weekend to bring it back to memory. He said: "That is a good idea. Perhaps I could do it some time in the future." Does the Treasurer really still consider it to be a good idea? What made him forget it this time?

Hon. Mr. Nixon: The honourable member may be referring to the proposal put forward by the present Premier and others that a small-business tax credit associated with jobs created would be a good way to stimulate the business community. I thought it was a good idea when it was first proposed. I still think it is a good idea and I am giving it every careful consideration for inclusion the next time I have something specific to say about the fiscal policy of the province.

Mr. F. S. Miller: I have to say my impression during the election campaign was that it was not just a good idea of his Premier, it was the policy

of this government and the voters could expect it to come in if his party was made the government.

Mr. Brandt: It was a commitment.

2:10 p.m.

Mr. F. S. Miller: Let me get back to a point the Treasurer avoided the other day because it ties in with the first question—job creation. He predicts 2.5 per cent gross national product growth next year; we had 4.5 per cent this year. He predicts 108,000 new jobs next year and we had approximately 160,000 this year. There are 98,000 coming into the work force next year, for goodness' sake. For a change, the Treasurer will get a drop in unemployment, not through his efforts but through demographics.

Is he going to give us the kinds of figures his staff gave him to tell him why that drop in job creation would happen next year as a result of his tax measures?

Hon. Mr. Nixon: I am sure members are aware that the policy of the government, as enunciated in this budget, is expansionary and designed to stimulate the economy. The downward trend is not a downward trend; it is simply a reduction in the rate of growth in the expanding economy. The member will know that in his last years as Treasurer the economy was not expanding at all; in fact, it was contracting. The turnaround, pretty much powered by the turnaround in the United States, has shown large growth percentages because the growths were based on a contracting economy, not an expanding one.

My economists tell me that the province can sustain a growth rate of three per cent over a prolonged period, and no more than that. The indication is that 2.4 to 2.5 is a good solid rate of real growth, which will expand the work force and see the rate of unemployment being reduced from about 8.1 per cent, where it is at present, to 7.7 per cent in the coming year.

Mr. F. S. Miller: It is an interesting Treasurer who thinks a reduction from 4.5 per cent to 2.5 per cent is not a drop in growth. It is also an interesting Treasurer who is satisfied to believe three per cent is enough growth when five per cent was the average for decades in this province. He should know that.

I asked him about government studies which detailed the drop in jobs created against his tax measures. Where is the open government he is talking about? Where are those reports?

Hon. Mr. Nixon: The leading candidate to be the member's successor asked that question three times last week, and I gave him the same answer.

When the revenues from tax increases are directed towards economic growth, there is not a drop in jobs just because the tax increase takes place. It is when the revenues from tax increases are put into nonproductive expenditures that one gets a loss in jobs.

The officials, in response to tax increases, in no way predicted a drop in the rate of employment. On the contrary, the prediction was what I have already put to the member in the answer to a previous question today, that is, that unemployment would drop from eight to 7.7 per cent.

TEACHERS' LABOUR DISPUTE

Mr. Davis: I would like the Minister of Education to assume his leadership role as minister responsible for the quality of education and for access to education, and to intervene personally in Wellington in the county teachers' strike. The minister, like all who are concerned about the quality of education, especially those immediately affected, has a great stake in a fair and swift conclusion of this situation. I suggest to the minister that the current situation is now too big to be left in the hands of a mediator. In this party we believe it is time for the minister to break the logjam—

Mr. Speaker: Question.

Mr. Davis: It is coming, Mr. Speaker. I ask the minister to assume his responsibility, to use his good office and to try to persuade the parties of the urgency of this situation and not just let it drag on.

Hon. Mr. Conway: I share the honourable member's concern about the impact of this secondary school dispute upon the 8,200 secondary school students in Wellington county. I feel very strongly, on the basis of 10 years' experience with Bill 100, that the best resolution of this difficulty is a locally negotiated settlement.

I would like to take this opportunity to encourage both local parties in Wellington county to return to the negotiating table and, in the interests of those 8,200 secondary school students, to arrive at a locally negotiated resolution.

Mr. Davis: I would like to point out to the minister that I was using the precise words uttered by his leader in a question to the then Minister of Colleges and Universities in October 1984 concerning a strike that had gone on for only three days. The Wellington strike has now gone on for 10 times that and we still have no action from the minister. When will the minister act? Can he give the parents and students of

Wellington a timetable for the resolution of this strike?

Hon. Mr. Conway: It is interesting to have a question from the honourable member. His party, when in office, allowed secondary school disputes to go in communities such as Sudbury for 56 days and Renfrew for 45 days.

We have a process that in my view has worked well over the years—not perfectly, but well. I am in regular contact with the Education Relations Commission, which is monitoring the situation in both Wellington and Grey. So there can be no confusion about this, I want to repeat that I believe very strongly that, in the interests of those 8,200 students in Wellington county, the best resolution of this difficulty, not just for today and tomorrow but for the longer term, is a locally negotiated settlement.

Both local parties have it within their power and their authority to return to the negotiating table and, in the interests of those 8,200 students, to work out a locally negotiated solution, which I strongly encourage and suggest is the best way in this difficulty.

Mr. J. M. Johnson: Less than one third of the school trustees in Wellington county are seeking re-election. That means after November 12 Wellington county will have practically an entirely new school board that will not take office until December 1. The month of November will be lost through a lame-duck board of education. Will the minister not concur that there is an urgent need to take action now to resolve this strike because of that as well as other factors?

Hon. Mr. Conway: I want to say I very much appreciate the advice and counsel the member for Wellington-Dufferin-Peel has tendered to me on almost a daily basis. I know of his concern and I agree there is urgency. I fully expect both local parties will recognize and respond to that urgency. I have had the experience of viewing one of these long secondary school disputes in my own county and I know of the difficulties and pressures.

I am very confident that the good people in Wellington county will, in the interests of local autonomy, put the pressure where it properly belongs at this time, and that is on both local parties so they will understand the community concerns in so far as getting the matter resolved at the local level is concerned.

FREE TRADE

Mr. Rae: I have a question for the Premier about free trade. The Premier has presumably given the politicians in Washington a clear

indication of where he stands, and I presume, at some time he has given the government of Canada a clear idea of where he stands. Given the importance of this issue to the citizens of this province, I wonder whether he can tell us today precisely where the government of Ontario stands on the question of the free trade negotiations that are going to be started in 1986 between the government of Canada and the government of the United States.

Hon. Mr. Peterson: In response to the honourable member, that is not a simple question to answer. As he knows, it does not lend itself to a 30-second response. Let me start in on it as I may. The federal government has chosen to send a formal request to the President of the United States to make a request to Congress to determine whether in fact any discussions can be held with respect to free trade.

We are expecting a formal request to go to Congress and, at this point, we do not know how that will come back from Congress, i.e., will the administration be given a free hand to negotiate or will there be certain provisos on the other hand?

2:20 p.m.

One of the big frustrations is that it is not clear where the federal government stands on this matter at this time. It is its prerogative, as the member knows, to enter into these kinds of discussions. It is also no secret that I have been more cautious or far more reserved than have been a number of the other spokesmen in this country, as I am concerned about a number of questions. The auto pact is an example. When I talked to some of the people in the United States, I found they would like to see the auto pact on the table. I have a fundamental disagreement with them on that point.

I am sure the member appreciates that the decision-making process in the United States is infinitely more complicated than ours in this country. I had the opportunity to talk to about 12 senators, each with a different point of view on the subject. Some are very concerned about certain Canadian practices, such as those with timber. The administration tends to have a different view of the situation. At this point, it is not clear how that will sort itself out in the United States and what will be on the table.

I personally, and this government, have very strong reservations about jeopardizing our industrial base in Ontario. Those strong reservations have been conveyed to the Prime Minister, to the federal government and to certain people in the

United States as well. I could go on at length, but perhaps the member has a more precise question.

Mr. Rae: I do have a more precise question. The free trade train is leaving the station and the Premier of Ontario has reservations. That is the extent of what he is saying: he says he has reservations. I believe Ontario has the ability, the power and the clout to have far more to say with respect to what the position of the government of Canada is going to be.

The Canadian ambassador to the United States is apparently advocating the sellout of our publishing industry to the Americans, saying that has to be part of the parcel. The Premier's good friend and Liberal colleague Donald Macdonald is saying all social policy programs are going to be put on the table. That is part of the parcel. That is part of the package of free trade.

It is clear the time has come for the Premier to state very clearly what the position of Ontario is; not concerns, not questions, not reservations, not problems and not worries, but precisely what the Premier is going to do to make sure that Ontario's interests are protected and that we do not enter into a free trade agreement with the United States.

Hon. Mr. Peterson: I assume the member's point of view is to use whatever power we have to put the kibosh on any discussions. That is beyond the power of this government. As the member knows, we have been saying to the Prime Minister it is fundamental that the provinces have a strong voice at those discussions and be informed all along the way. I was concerned when I read in the newspaper that there have been secret strategies at various points to suppress any ill effects of this potential agreement.

We have been very forceful in putting forward to the federal Minister of International Trade, as well as to the Prime Minister, what the potential dislocation in Ontario would be. We have some figures that say 270,000 jobs would be dislocated in Ontario; in certain sectors it would be more serious than others. I want to be very frank about this. I do not have the power to say, "This is in and that is out." I am sure if the member talked to anyone in Ottawa he would agree with me that Ontario has been the most forceful organ in this country against walking prematurely into some kind of trap we do not fully understand.

I probably do not have the same ideological bias the member has on this situation. I tend to be very practical. I am not prepared to walk into a deal that is not better for Ontario. Those are the reasons I have been so reserved about this situation and will continue to press the matter.

We have hired a person who is internationally respected for his ability in these matters, Robert Latimer, as a trade adviser. We are widening our own contacts.

When I assumed the leadership of this province, I was somewhat disturbed by the lack of substantive information this government had with respect to any effects of free trade on this province. We are working hard now to develop that intellectual base, clearly knowing all the pitfalls.

Mr. Speaker: Order.

Hon. Mr. Peterson: Mr. Speaker, I think you can sleep well tonight knowing this province is in very good hands with respect to its protection.

Mr. Brandt: I am pleased to hear the Premier is showing leadership on this issue. What he has been doing until now is following the example set by my leader, the then Premier (Mr. F. S. Miller), as the policy of this party when we were the government. If he continues to follow that, he will be safe.

The Premier has indicated to the leader of the third party that the auto pact would not be on the table. Surely, in response to either the question from the leader of the third party or mine, he could give some indication to the people of Ontario as to which other sectors of the economy he has indicated and/or identified are simply not negotiable. Is he prepared to share that information with this House now, and has he shared his concerns with respect to specific sectors of the economy with either Washington or our federal colleagues?

Hon. Mr. Peterson: The answer is yes, I have. First of all, we are not sure at this point what the federal government wants on the table. It is not easy dealing with this situation because the federal agenda has been so tentative. They have indicated they want to negotiate, but no one knows for sure what they want to negotiate; so we are going to be there shaping those answers.

The auto pact is as important a document to this province as any other. We feel extremely strongly about our cultural industries, as we do about our regional economic development programs. I have put forward questions to my colleagues, such as former Premier Lougheed and others. I asked, "What are you going to do, Mr. Lougheed, if, for example, there is criticism of your preferential pricing for oil in Alberta?" I asked, "What about the interests of the Newfoundland fisherman with respect to unemployment insurance?"

At stake, potentially, is our entire social welfare system and our regional economic

development programs. Those should not be on the table. That is why we are developing the expertise to discuss this not only in general philosophical terms, but also in very specific terms as to the impact on Ontario as well as on the rest of the our country. I can assure the member that we will be there protecting the interests of our auto producers, our farmers, our cultural industries and our factories here in Ontario.

Mr. Rae: Let us be practical for moment, and very specific. What is the Premier going to do when the federal negotiators go down and he finds that all those things are on the table? The Premier and I both know it is in the American interest to see they are there. That is precisely what he was told by the Americans, the spokesmen for the administration whom he met. At least, that is what they told the press.

Surely it is at this stage that Ontario has to state categorically and unequivocally to the federal government, "If those items are on the table, Canada should not be there." We should not be entering into discussions when the Americans are saying they want to discuss water, our publishing industry, our cultural industries or the auto pact.

Surely it is at this point that Ontario should not just be stating concerns. Talk about a battle for who can be the most tentative; it is a close contest between the Premier and Brian Mulroney. Why does Ontario not say specifically now there should be no discussion on that kind of basis? On a free trade basis there should be no discussions. That should be the extent of the mandate given to our negotiators going down to Washington.

Hon. Mr. Peterson: I want to caution the member about oversimplifying the situation. Just because he reads one quotation from Bill Brock, the Secretary of Labor, does not mean that is the administration's view. Just because the United States Trade Representative Clayton Yeutter says one thing does not necessarily mean that is the administration's view, or one other congressman or senator.

Let us be very frank about this. There is a very strong mood of protectionism in the United States at the moment, and it is extremely worrisome in a number of industries. I made the point continually with the decision-makers there—and we talked to a good number of them—about the importance of our trading relationship. With the United States, we have the greatest trading relationship in the world today. Ontario alone is the largest trading partner.

With respect to the reservations the member has suggested in this House, those have been put forward extremely clearly to the federal minister,

the Prime Minister and everyone here who is in a position to listen. I warned them about the toughness of the US side, the fact that they will want everything on the table and that this is not my view.

I am trying at this moment to prepare the federal government for the difficulty of the discussions they will have if they develop. Let me make one other point in conclusion. It is not yet clear if they will develop, and if so under what terms and conditions, that is very much up in the air at this point; but I can tell the member we are protecting Ontario's interests in the most thoughtful way possible in the circumstances.

Mr. Rae: We will stand down our second question, as we understand the Minister of the Environment (Mr. Bradley) is coming into the House. We will stand that down until he arrives.

2:30 p.m.

ONTARIO LOTTERY CORP.

Mr. Baetz: I have a question for the Treasurer. I would like him to shed some light on the budgeted figures under the rubric of revenue inflow from the Ontario Lottery Corp. Why is the Treasurer budgeting only \$132 million for the year 1985-86, whereas it is generally assumed that revenue from the Ontario Lottery Corp. in 1985-86 should be about twice that amount, namely, upwards of \$250 million?

Is this another example of poor budget forecasting; or does it mean that the Treasurer, who, when he was a very distinguished and respected member of the opposition, gave many great moralistic homilies against the evils of gambling, is now planning to put a severe damper on the promotion, sales and profits of the Ontario Lottery Corp., guided by his moral structure?

Hon. Mr. Nixon: If the honourable member is implying that the numbers given to me were somehow incorrect, all I can say is that I have never known the Treasury to give either me or my predecessors numbers that were incorrect. There is no way I even thought of checking them out personally or independently, and the numbers that are there are those officially put to the Treasurer by the appropriate authorities in the Treasury. I have no doubt that they would consult with the people in Wintario, Lottario, "Pick Your Winner," "Scratch Your Winner" and all those things the previous government brought in.

However, we are very glad that the Minister of Tourism and Recreation (Mr. Eakins), who has direct responsibility in that regard, has amended many of the processes that seemed to be standard

in Lottario and Wintario under our predecessors whereby jobs for distribution and so on were handed out without being properly advertised and without a proper competition. We feel the corporation, while it has been working very efficiently, can be made to be fairer and to be seen to be fairer, and we trust we will be able to accomplish this as a new government.

Mr. Baetz: All of us have heard a rather remarkable admission by the Treasurer, that he does not seem to feel responsible for any of the figures that appear in his budget and that somebody just throws figures at him and he believes them. If that is the way he established his budget, we will have real problems coming up here.

Mr. Speaker: Is that your supplementary?

Mr. Baetz: I would like to ask the Treasurer, within earshot of the Premier, whether this kind of budgeting is simply some kind of ruse and whether a big chunk of the lottery funds are going to go into a slush fund to help the Premier along whenever he needs a little money, for Christmas time. This seems to me to be very shoddy budgeting, and I would like to have an explanation from the Treasurer.

Hon. Mr. Nixon: Of course, I want to reject the allegations and the implications in the member's comments. For him to bring into doubt the veracity and the goodwill of the Treasury officials must be as unacceptable to me as it is to the people sitting close to him, particularly his leader, a former Treasurer, who would never think of questioning these numbers. I believe they are professionally arrived at and are correct. The officials at Treasury have no reason whatsoever to give anything other than correct numbers. They have in the past, they do now and they will in the future.

EXTRA BILLING

Mr. Ramsay: I would like to ask a question of the Minister of Health. The people of Ontario are paying \$1 million a week to doctors who are extra billing and, as the minister knows, his government is losing \$50 million a year in federal transfer payments. My constituents are postponing operations because they cannot afford them, while the minister is out consulting with the doctors about what we are going to do about extra billing.

Why does the minister not ban extra billing immediately and establish a one-price health care system in this province?

Hon. Mr. Elston: The honourable member is mistaken when he says we are losing \$50 million

a year. The situation is that the \$50 million will be returned to us as long as we ban extra billing by April 1, 1987. That is the situation. Currently, about \$4.4 million per month is being withheld from us. That money will be returned to this province as soon as we end extra billing; and extra billing in this province will be ended by this government.

Mr. Ramsay: Let us look at more than just the fiscal responsibilities of it. While the government is dilly-dallying around consulting, there are people in Ontario who are suffering because of this. I have a constituent who had an operation this morning just a few blocks down the street from here, and it is costing \$3,000. If that patient does not come up with the \$3,000 in a month, he is going to be charged two per cent interest per month, and if he does not cough up the money within 90 days, the doctor's letter says a collection agency may be involved. The Ontario health insurance plan is going to pay \$1,700 of that.

What is the minister going to do to stop this suffering by the people of Ontario and let us have a one-cost system?

Hon. Mr. Elston: There is a concern on this side of the House that this sort of billing should not continue. We are moving to eliminate extra billing.

For those people who would like to listen to the answer and who have expressed their concerns to me before, it would be very helpful if they would provide me with the information as to where they stand on the style of the legislation that would be appropriate for all the citizens of the province. I requested that information previously from the member who is the critic of that party. He has not provided me with any input in that respect to this point.

If the member for Timiskaming (Mr. Ramsay) will send me the details of that case, I will undertake to look into the question of whether those charges are a violation of the legislation of the province, because it may be in the nature of overcharging. That is a remedy we can take a look at, and I am prepared to do that if the member will provide me with the information.

Mr. Brandt: Will the minister clarify for me the position of his party on this very important matter? He may recall an event that was held prior to May 2 in which he and spokesmen from his party stated very clearly, on each and every occasion they had the opportunity, that \$1 million per week was lost to the taxpayers of Ontario. Now he is suggesting that money is not lost, that he can negotiate with the federal

government to bring about some kind of new deal—perhaps drop extra billing—and, as a result, recover the money. That was the position we took during the election; the minister said that was incorrect. What is the minister's position?

Hon. Mr. Elston: The honourable member is confusing me with somebody over there who might be running for leadership. We as a party have always indicated, during the election and since, that we will be moving to end extra billing. The honourable gentleman who hails from Sarnia knows full well that a ban on extra billing in this province will provide us with the money that is currently being held back by the federal government. He should understand that and I think he does understand that, but sometimes we have to clarify his clouded thinking as a result of several conflicting views that are being put by various people who are trying to lead that party—to where, we are not sure.

ARTISTS' TAX EXEMPTION

Mr. Leluk: I have a question of the Minister of Citizenship and Culture. In last Friday's *Globe and Mail*, I noticed the minister was practising a pirouette in her office, which I might say—

Interjections.

Mr. Speaker: Order. Is that the question? "Will the minister give me a lesson?"

Mr. Leluk: No.

Mr. Speaker: But you do have a question.

2:40 p.m.

Mr. Leluk: Yes, I have a question. I noticed the minister's office looks as though it has been redecorated to her taste since I left it in June. When will the minister stop dancing, get on with her job and let this Legislature know why the recent budget did not contain an exemption from the provincial sales tax for all artists' materials and their works, as promised in her party's alliance with the New Democratic Party?

Hon. Ms. Munro: At the culture ministers' conference in Halifax, the Ontario government put forward that proposal and a fairly comprehensive document on tax and the artist. I will have to get back with additional information about when we are likely to see that in our programs.

Mr. Leluk: I want to congratulate the minister on her nomination for tonight's Juno awards under the category of the most promising female with bafflelegab.

When does the minister plan to implement this policy change and how much will it cost the taxpayers of this province?

Hon. Ms. Munro: I am sorry. The member's cultural sensitivity ended in my missing the question. Perhaps if he could ask the question again and quit deriding me on my sensitivity to all kinds of questions, in addition to the way his office was previously decorated, I will answer it.

Interjections.

Mr. Speaker: Order. Final supplementary.

Mr. Leluk: Since the first minister did not hear the supplementary question, I will be pleased to repeat it. I said I would like to know when the minister plans to implement this policy change.

Mr. Speaker: Order. I made an error calling for a final supplementary question. The minister has requested that the question be put again. Go ahead.

Mr. Leluk: I was attempting to do that. When does the minister plan to implement this policy change and how much will it cost the taxpayers of this province?

Hon. Ms. Munro: I thought I indicated the first time the member asked the question, that I will get the information for him at the earliest possible time.

FOREST MANAGEMENT

Mr. Wildman: I have a question for the Minister of Natural Resources regarding the report of the audit of forest management activity of his ministry that he tabled in the House on Friday. I wonder whether the minister could clarify a couple of points, particularly the ministry's response to two things in the auditor's criticisms.

First, there were his criticisms of the ministry approving the greenhouse costing \$800,000 without first obtaining proposals and bids from interested parties, the decision to locate this nursery in an area that had a need of only two per cent of the total of the region and the fact that it went to the lowest-ranked proposer. Second, on another occasion there was a tremendous range in the cost per foot of the facilities and the higher-cost facilities were not required.

Can the minister explain why his ministry's only response was that it was a decision of the minister of the day? Can he identify the principals involved, the communities involved, who the minister of the day was, and explain why the ministry could not produce any further response than that statement?

Hon. Mr. Kerrio: My first response was that my undertaking in the future will be that all those contracts will be properly advertised and will be

properly bid for. The member can rest assured there will be enough publicity involved that he will have all the facts beforehand.

I cannot point at the minister who made this decision. I think he should properly be in his place before I suggest it is one of the aspirants to the high office over there and that the determination was made in a personal way. The decision was taken. I want to assure the House it shall not be done that way again.

Mr. Wildman: Can the minister assure this House that he is taking measures, and explain the measures, to ensure that in future no minister of the crown will be able to use the taxpayers' money as a way of building up political IOUs for his future political ambitions?

Hon. Mr. Kerrio: I will go a step further than that. Having started with the openness of putting this report on the table, bringing in an independent auditor and asking all parties to participate in the determinations that were going to be made by the auditor, yes, I will give my assurance that never again will any contracts of the size that were given out there, be given out without tendering.

Mr. Brandt: On a point of privilege, Mr. Speaker: That question was completely distasteful and completely out of order. In the absence of my colleague, I would suggest you call for the recall of those remarks.

Mr. Speaker: Order.

Mr. Pierce: Can the Minister of Natural Resources tell us what tendering process was used to construct the greenhouse in the district of Rainy River? Why did he rescind that decision and withdraw the tenders?

Hon. Mr. Kerrio: This gives me an opportunity to reflect on one other question that was raised during this questioning, and that is that I will bring back to this House all the information pertaining to that tendering and put it on the table. The reason we stopped that issue from going forward is that I wanted to apprise myself of how the tendering was being done and give this House the assurance that it would be done in a very public way.

Hon. Mr. Bradley: I have a statement. May we revert to statements, if it is agreeable?

Mr. Speaker: We have had a request from the Minister of the Environment to revert to statements. Agreed?

Agreed to.

Mr. Harris: On a point of order, Mr. Speaker: Our leader still does not have the statement. Can

we go on with question period? When the minister is ready, we will be glad to revert to statements.

Mr. Speaker: I would remind the member for Nipissing that the standing orders say two copies should be delivered to either the critic or the leader. I do not know whether they have been delivered or not. Have the two copies been delivered?

Mr. Harris: We have one copy, Mr. Speaker, and I would suggest—

An hon. member: There is a second one up here.

2:50 p.m.

STATEMENT BY THE MINISTRY

ST. CLAIR RIVER

Hon. Mr. Bradley: Recent tests of substances found in the St. Clair River greatly concern me. These test results showing the presence of dioxin, and other scattered indicators during the past few months tell us that the situation in the St. Clair is nowhere near as rosy as certain of my predecessors have suggested. I would like to take a few moments to bring the House up to date on this matter and to sketch out the approach my ministry will take in dealing with this problem.

The most recent testing stems from a mid-September federal report indicating the presence of dioxins in sludge taken from the river in August 1984. Among the actions I took upon receipt of these results was to order two ships from my ministry to the area to undertake additional tests to determine the extent of contamination of the bottom of the river in the Sarnia Chemical Valley region.

I am pleased today to table the preliminary results that we completed. Our ministry laboratory found low levels of dioxin in sludge samples taken between September 23 and September 28 of this year. The toxic tetradoxins were found at levels ranging from 10 to 21 parts per billion. The much less toxic octadioxin was found in levels between 11 and 20 parts per billion.

The most deadly form of dioxin, 2,3,7,8-TCDD, was not detected by my ministry. However, I will not rule out its presence and I have instructed my ministry to take all precautions as if the 2,3,7,8 isomer were present.

Last month I instructed my ministry officials to develop a task force plan that would, first, result in the cleanup of the current contaminants in the St. Clair River, and second, strengthen our enforcement and containment program regarding discharges in the region.

I am not satisfied with the level of environmental protection in Sarnia. As the new Minister of the Environment, I plan to reverse this problem. Following the Dow Chemical spill of toxic contaminants in the St. Clair River in August, my ministry laid six charges.

On September 13, I met with my counterparts in Michigan to discuss the establishment of a joint task force for cleaning up the St. Clair and Detroit rivers. On October 7, I met with officials of the Great Lakes Institute at the University of Windsor to discuss the whole matter and find ways to employ the institute's expertise, given that it was the institute's work that led to the discovery of dioxins off Dow's property, in the St. Clair.

On the basis of both recent testing and past experience, there is no reason to believe that drinking water has been affected.

When my ministry received laboratory reports indicating the presence of dioxin in the St. Clair River blob in September, I immediately ordered tests on downstream drinking water for this highly toxic substance.

Results from Wallaceburg, Windsor and Amherstburg showed no dioxins or furans in treated drinking water. Drinking water at Walpole Island will be sampled on Wednesday and tested for dioxin. Further dioxin testing is scheduled at all these sites and at Sarnia over the next six months.

We are fortunate, indeed, that simple filtration methods appear to be effective in screening dioxin from drinking water supplies. This appears to be because dioxin has the propensity to adhere to large particles that are easily caught by standard water treatment methods. However, my ministry is currently investigating the use of more sophisticated techniques.

The task force I will have under way by the end of this month will provide for measures to clean up the St. Clair. Part of this program may include a major vacuuming of the remaining blobs on the bottom of the St. Clair. However, before this is undertaken I want to be assured that the vacuuming will not unduly disturb the bottom sediments, sending more dioxins into the water downstream.

Additionally, I have ordered a reorganization and expansion of the Sarnia office with a mind to cleaning up the situation in the St. Clair River.

Highly skilled investigative personnel will be instructed and assigned to survey the industrial polluters, tighten up monitoring procedures and recommend a specific case-by-case reduction in allowable effluents. I expect to see dramatic and

positive results reflected in the quality of St. Clair River water in years to come.

ORAL QUESTIONS

(continued)

ST. CLAIR RIVER

Mrs. Grier: My question is for the Minister of the Environment. I might say how pleased I am to learn that he is taking this matter as seriously as he is and that at last some investigation and action is presumably about to be taken.

I would be grateful if the minister would perhaps expand on his statement that he has ordered a reorganization and expansion of the Sarnia office. Can the minister tell us more about that? Will the minister explain what form of investigation of that office has been undertaken and whether any outside agencies have been involved in that investigation?

Hon. Mr. Bradley: A full and complete investigation by a number of agencies has taken place surrounding a number of matters related to the St. Clair River. With respect to reorganization and expansion, first, more people are required. It is obvious the problem is a significant one, as I indicated to this member and the member for Windsor-Riverside (Mr. D. S. Cooke) when they questioned me about two or three weeks ago on a similar matter and as I indicated to the federal member, Mr. Langdon, when I discussed this with him in September.

On the utilization of personnel, our investigation and enforcement branch can play a significant role in this specific area. I also believe we must look at all options, not excluding any. As the member is aware, I am not one of those who believe we can exclude any possibility of how this material came to rest on the bottom of the St. Clair River. I do not rule out the possibility of the old pressure wells coming up underneath, nor some continuing problems existing with plants along the river, nor the historical problem which has existed for some time. I do not want to rule out any of those, so I have instructed my officials to investigate all those possibilities.

Mrs. Grier: Can the minister tell the House whether statements made by some officials of his ministry to the effect that this problem has been known about since 1975 are correct? Can he assure us the new investigations he is suggesting will include independent sampling on the property of the chemical companies rather than self-sampling by the companies?

Hon. Mr. Bradley: The member makes a very good point. The investigation will be

widespread. We want to involve the Great Lakes Institute, any of those groups and the federal government, for instance. The member will have read the stories stating the federal minister indicated he wants a major team there working with the Ministry of the Environment of Ontario. It is essential to have the officials from Michigan involved in this investigation. In my meeting with them, they were very co-operative. I met them in Detroit. They were from the Attorney General's office and the office of the governor—

Mr. McClellan: Answer the question. Was it known in 1975?

Hon. Mr. Bradley: To go back to the question, I cannot tell the member whether it was known back in 1975 or not.

Mr. Rae: Oh come on.

Hon. Mr. Bradley: Whoever knew back in 1975 should have told the ministers, including this minister, that it had been known since 1975. I would say to the leader of the third party that I do not know whether that person knew; I read that in the newspaper. If anyone knew, it was his responsibility to inform the Minister of the Environment and I can certainly agree with that.

Mr. Speaker: Supplementary.

Mr. Brandt: Over the course of the last long number of years, the Lambton Industrial Society has been working co-operatively on testing and sampling with the scientists from his ministry to determine the quality of the water in the St. Clair River and Lake St. Clair areas as well as the Detroit River. More recently, within the last year or year and a half, the St. Clair River study team has been established in the Sarnia area.

With respect to the report the minister is tabling in the Legislature today, is he indicating that the information which was put together co-operatively by the Lambton Industrial Society and his ministry was incorrect? Is he also saying the St. Clair River study team was operating ineffectively in that area in determining the quality of the water over the past year or so?

3 p.m.

Hon. Mr. Bradley: I fail to follow the member's question. The information I am providing today, and there will be more complete information following, is a result of testing we did in late September this year, as a result of it coming to my attention there had been tests done in August 1984. I am revealing the results of those tests. The federal minister today has revealed his tests. He was with the news media at 12:30 p.m., with the officials of Environment

Canada. These are the most up-to-date tests, the latest figures we have.

Whether it is parts per billion, parts per trillion or whatever it is, when we find materials of this kind in the St. Clair River, it has to be a matter of some concern and it has to be addressed, which is why we have been upgrading and increasing our testing.

Our first concern was to determine whether the drinking water was safe. Our concern now is to establish the best method of cleanup that will not cause further problems. For instance, when Dow puts forward to us a plan for cleanup, I want to know what that company is going to do with the material, I want to know what the impact can be down river and I want to know what the safety of undertaking this kind of activity is. It is my concern that we get it cleaned up as soon as possible, but as safely as possible.

Mr. Hayes: Since it is quite obvious that Dow Chemical and the other polluters along the St. Clair River cannot be trusted to stop the dumping or leaking of dangerous chemicals into our lakes and rivers, is the minister prepared, in order to protect the people who depend on these sources for their drinking water, to finance the town of Wallaceburg and the other communities between Windsor and the blob; to finance the necessary carbon filtration systems to protect our drinking water from the malpractice of these chemical companies that have been allowed to get away with this for so many years?

Hon. Mr. Bradley: I am not a lawyer, but because of ongoing court cases, it would probably be unwise of me to comment one way or the other on the member's specific discussion of the sources. I think the member will understand that.

In answer to his question, I indicated in my statement that we are examining that possibility, because I think the town of Wallaceburg has been reasonable in its approach. It understands there is a potential problem, and I think the reaction it has taken is a very reasonable one.

I can say to the member I would not exclude that. I will be discussing it with the mayor of Wallaceburg this afternoon. I am going to call him to bring him up to date and discuss that. I do not think that should be ruled out if it is required, and it might well be required. That is fair.

REPORT ON PROPERTY TAX

Mr. Gregory: My question is for the Minister of Revenue. I think he is hiding behind your throne, Mr. Speaker. Perhaps I could ask the question of his parliamentary assistant.

Mr. Speaker: I believe the standing orders say you can ask only the minister. The Treasurer.

Mr. Gregory: I knew that would flush him out.

I would like to express to the Minister of Revenue both my pleasure and relief at his statement in the House. The pleasure was that he repeated a statement I made last fall, virtually word for word, and the relief was that he did not find a way to screw up that excellent program when he was tinkering with his budget. That is not the question, however.

A report entitled Taxing Matters, more commonly known as Epp's baby, has been prepared for the Minister of Revenue. Contained in this report are 53 specific recommendations for changes to the property tax system. Since this matter is of great importance to all property owners in Ontario, will the minister table a copy of the report in this House immediately?

Hon. Mr. Nixon: I had a chance to read the report for the first time over this weekend. We expect the estimates of the Ministry of Revenue will begin on November 18. I hope to have a statement to the House on Friday of this week, tabling the report, along with certain ancillary matters pertaining to assessment.

If the member can wait until then, that is the time that would be appropriate for my officials and others. At the same time, we expect to send a copy of the report to the clerk of every municipality and make one available to every member of the House.

Mr. Gregory: Given that this document has been paid for with public money, and in view of the often-quoted open government style of the Liberal Party, will the minister immediately table this document?

I am surprised to see that on Friday of last week a Toronto Star columnist was able to write about the report in some detail, purporting to be speculative, but he did know it was 190 pages long, he did know it had a blue cover and he did know it had 53 recommendations. If a member of the press is allowed to have this information, is it not important that this House be allowed to have the same information? Or would it be accurate to say that it would be better left alone until after the municipal election?

Hon. Mr. Nixon: I suggested to the member that it would be tabled on Friday of this week, which is before the municipal election.

I suppose the columnist for the Star got it in the same way columnists for newspapers have been getting government documents all along. I read during this weekend that I am preparing a

statement and I would be glad to table it. I intend to do it on Friday. I hope that is not going to be a serious dislocation for the members.

ST. CLAIR RIVER

Mr. Rae: I want to go back to the Minister of the Environment with respect to the statement he made today and in particular to the answer he gave about what information was known to his ministry and to governments prior to 1984.

Can the minister confirm that information with respect to dioxin has been in the ministry and available to the ministry since 1975? He should know this by now, coming into the House today. Can he confirm that information has been suppressed by the ministry, that it has not been made public and that the public has not been informed about the presence of dioxin in the St. Clair River for as long as the ministry has known about it? What is the minister doing about those officials who have known for this length of time and have not had the decency to tell the public of Ontario about it?

Hon. Mr. Bradley: In answer to the member's question as to whether I can confirm it or not, I read many newspaper reports about an official from the Sarnia area who said this was the case. I have no reason to doubt that was the case and that it has been known since 1975. I would have to confirm that with other ministry officials. That individual stated it publicly and I have no reason to assume that was not the case.

When officials of any ministry have information available, in particular information of such importance to the public, it is my view that it is the responsibility of those individuals to bring it to the attention of the minister. Then the minister must bring it to the attention of the House and the public. I would assume there is a pipeline through the ministry where one official tells another about something. It is a very legitimate question.

The second part was about what we are doing about it. I indicated to the member that I see a need for expansion and reorganization of the Sarnia office. That will be proceeding quickly. There has been a movement in this direction for some time.

Mrs. Grier: The minister mentioned, in response to the question from the member for York South (Mr. Rae) and to me, that other agencies had been involved in this investigation. Would the minister tell the House whether he would include the police force of any jurisdiction under the heading of other agencies?

Hon. Mr. Bradley: It is my understanding there have been investigations by both police authorities and nonpolice authorities of a number of activities in and around the St. Clair River area. Those agencies would be from both sides of the border.

Mr. Brandt: The minister is well aware there were announcements with respect to the location and discovery of dioxin in two sites in the Niagara region. I believe the minister is also aware—and he mentioned this in his press release—that the dioxin discovered in the St. Clair River area was not 2,3,7,8-TCDD, which is the most deadly of the 75 dioxins. Does it make any sense to the minister that a ministry would announce the discovery of dioxin in one location of the province and would not do the selfsame thing in another location, if it had that information at hand?

3:10 p.m.

Hon. Mr. Bradley: I assume that would be the case, exactly. These are the rules and regulations I have set down in the Ministry of the Environment since I have been the minister. If there is any information the public and the members of this House should know about, it should be released.

The former minister probably could tell better than I, what information was available when he was there. The information that is available while I am here, is information he will have in this House and so will the public, and I do not care what the consequences are.

HEATING SYSTEM

Mr. Davis: I have a question for the Minister of Housing. I would like to refer him to the concern of many tenants and senior citizens in Ontario Housing Corp. buildings, specifically those at 10, 30 and 40 Gordonridge Place and at 31 Gilder Drive in Scarborough and at 275, 285 and 295 Shuter Street, who have expressed deep concern that they are forced to use their stoves and sweaters to keep warm because the new computerized heating systems do not seem to deliver adequate heat to their residences.

They are concerned as well because of remarks such as those attributed to the minister by Rudy Gaudett, who expressed concern to the minister at a meeting this weekend and to whom he responded, "If you get a petition, then I will look into it."

Mr. Speaker: There is a question, I hope.

Mr. Davis: I am coming to it, Mr. Speaker.

Mr. Speaker: Very soon I hope.

Mr. Davis: So much for a government that expresses compassion and sensitivity to seniors and tenants in Scarborough and Metro. I would like to know what the minister is going to do about the situation.

Hon. Mr. Curling: The matter was drawn to my attention at the meeting at city hall on Sunday. I asked the lady who had the petition in her hand to give it to me. She stated she wanted to hold it until she had more names. I then asked her to tell me the concern so I could look into it, and she did so to my executive assistant, who was there.

I thought we should address the concern and not the petition. I have asked my staff so far to look into the matter; so my sensitivity is right where it should be.

Mr. Davis: Will the minister increase the temperature in the buildings affected, damn the conservation program, let our senior citizens reside in comfort and not force them to put on their stoves, and wear extra sweaters and heavy overcoats?

Hon. Mr. Curling: If conditions are such that the heating system needs to go up to raise the temperature, we will do so.

AGRICULTURAL LAND PRESERVATION

Mr. Swart: My question is to the Minister of Agriculture and Food. It is about the Ontario Municipal Board decision in Brampton, which, as he knows, permits the paving over of more than 5,000 acres of Ontario's best food land.

I want to ask the minister, who has now been in office with his government for four months, what general instructions—and I am not talking about specific directions on the Brampton case—he has given the OMB on his government's food land policy. Specifically, has he notified the OMB that his government wants a higher priority on food land preservation? Or has he been content to have the OMB believe that the former Conservative government policy on this issue is okay with him and is continuing? Is that not the main reason for the OMB decision in Brampton?

Hon. Mr. Riddell: I did not advise the OMB of any of our policies while it was trying to decide what to do in connection with the Brampton lands. The best legal advice I was given strongly advised me not to interfere with a quasi-judicial body that was in the process of trying to make a decision. The decision has been made. I understand it will be appealed to cabinet, and I will

have an opportunity when it comes to cabinet to make my comments.

I do note from the report that "Mr. Riddell suggested that the official plan does not conform to the Food Land Guidelines and, as this decision demonstrates, the board has, in part, agreed with his argument." I am pleased to see that because of my argument the board did take out 1,600 acres that were in the plan and also went along with my suggestion that severances should be granted only if they are farm related. The board does know what my policies are.

PETITIONS

ROMAN CATHOLIC SECONDARY SCHOOLS

Mr. Polsinelli: I have a petition signed by 188 people addressed to the Honourable the Lieutenant Governor and the Legislative Assembly of Ontario dealing with Bill 30, An Act to amend the Education Act.

Mr. Reyecraft: I have a petition addressed to the Lieutenant Governor and the Legislative Assembly of Ontario. I will dispense with reading the preliminary clauses. The operative clauses read as follows:

"We petition the Ontario Legislature to implement the policy on the funding of the completion of our separate school system without delay in order that it can be applied on September 1, 1985."

"We further petition that this legislation protect the historic rights of Roman Catholics to maintain the special character of their separate schools."

The petition contains 258 signatures from the riding of Huron-Bruce.

Mr. Speaker: Order. As I look around the chamber, I see and hear quite a few private conversations. It makes it very difficult for me to recognize members who may want to present petitions.

REPORT

STANDING COMMITTEE ON ADMINISTRATION OF JUSTICE

Mr. Brandt from the standing committee on administration of justice presented the following report and moved its adoption:

Your committee begs to report the following bill with certain amendments:

Bill 14, An Act respecting the Enforcement of Support and Custody Orders.

Motion agreed to.

Bill ordered for third reading.

MOTION

ADJOURNMENT OF HOUSE

Hon. Mr. Nixon moved that when the House adjourns on Friday, November 8, it stand adjourned until Monday, November 18, at 2 p.m., but this motion shall not prevent any standing committees from meeting according to the schedule previously adopted by the House, at the discretion of such committees.

Motion agreed to.

ORDERS OF THE DAY

BUDGET DEBATE

(continued)

Resuming the adjourned debate on the amendment to the motion that this House approves in general the budgetary policy of the government.

Mr. Philip: It is a pleasure to participate in the debate on this budget, the first budget debate over which you, Mr. Speaker, are presiding. Let me tell you how much we appreciate the fair-handed and even way in which you have conducted yourself in this House and your excellence as a Speaker. It is fairly obvious that when you were chosen to become Speaker it was a wise decision.

I would like to congratulate the Treasurer (Mr. Nixon) for taking a step towards presenting a more realistic picture of the present status of Ontario's economy. For a number of years, a number of Provincial Auditors and, indeed, the Auditor General of Canada have argued that the financial assets in their respective jurisdictions must be tabled as they truly are. The Treasurer claims that he has taken action to present and establish in a more realistic way the real value of the assets of this province.

The previous government in its unrealistic inflation of the value of some of Ontario's assets presented an inaccurate, if not misleading, picture of the value of the assets and of the real deficit of this province.

3:20 p.m.

This is the first Treasurer to address this problem. This Treasurer has proposed a number of changes in accounting procedures and policies. In my opinion, these initiatives should be studied by the Provincial Auditor and by the standing committee on public accounts, as we have been highly critical of the way in which previous Treasurers have presented the information on the state of the economy in this province.

Only a few months ago, on behalf of Ontario, I had the honour of addressing the annual convention of provincial and federal public auditors and public accounts committees. At that time, I expressed my concern about the difficulty faced by parliaments in dealing with the spending of governments and crown corporations and agencies. As I pointed out to that body, a former NDP cabinet minister from British Columbia has stated publicly on a number of occasions that the single most important issue facing us as parliamentarians is the monitoring and making accountable of crown corporations.

I have the greatest respect for our parliamentary system of government. No one in good faith can accuse me of being a republican. At the same time, I think the parliamentary system must be flexible to meet the challenges of ever more complex societies. I would not adopt or advocate the adoption of an American system per se, but at the same time there are certain aspects of the US system that have evolved as a way of coping with increasingly complex societies and coming to grips with being responsible for larger and larger expenditures of moneys.

In my presentation to the seventh annual meeting of the Canadian Council on Public Accounts Committees, I summarized the major events in which our committee investigated the activities and expenditures of Ontario Hydro. The members may wish to read the whole presentation. A copy is available in the legislative library. Members of the House would be interested in some of my conclusions and what I have learned as a result of our investigations into this large crown corporation.

It is terribly important that we cannot talk about the objectives of budgets and the spending of moneys unless we are sure the intent of the Treasurer and his government is carried through in the most cost-efficient manner possible. One can have the best objectives in the world, and one can set up the best budgets, but if they are inadvertently, or with intent, sabotaged along the way, then those objectives are meaningless.

One of the exercises of the public accounts committee in the investigation of Ontario Hydro had some payoff to the taxpayers, but I do not think we were able to deal with the most important issues, namely, the future cost as a result of decisions, happenings or events that took place in the past and whether alternatives to meet certain energy objectives were ever explored or costed.

When we got into a very highly specialized field, it was fairly obvious the auditor was not

able to have the kind of expertise needed and had to rely on the experts of the very body he was investigating. Therefore, if the Provincial Auditor is going to do the kind of investigation we would expect of him, then surely he and the public accounts committee he is working with must have their own independent investigators to deal with the particular body under investigation.

The MPPs on the public accounts committee had no technical or professional expertise, and it is clear in the case of Ontario Hydro that it would have been far wiser to have it investigated by a select committee. I am pleased to see the government has moved in that direction.

It may well be that at some time we will want to consider the need for a select or standing committee of the Legislature to deal exclusively with crown corporations and to investigate them on a periodic basis.

If one looks at the General Accounting Office in the United States, one can see that it has moved a little farther away from the financial audits during the past 20 years to program audits, which evaluate the effectiveness of government programs. The GAO, according to their officials when we met with them, plans to conduct more comprehensive auditing, in addition to checking individual program results and monitoring.

Unlike the Canadian government, the US government does not produce consolidated financial statements which can be audited by the GAO. Basically, if one looks at the GAO, its scope of auditing has three components. The first component is fairly common in our experience; that is, financial and compliance. It determines whether the financial statements in an audit present entirely fairly the financial position and the results of the financial operations in accordance with generally accepted accounting principles and whether the entity complies with laws and regulations that may have a material effect on the financial statements.

Second, the GAO examines economy and efficiency; whether the entity has managed and utilized economically and efficiently such resources as personnel and property space, the causes of the influences or the uneconomical practices, and whether the entity has complied with the laws and regulations concerning matters of economy and efficiency.

In looking at the Ontario situation, it is fair to say the work done by our Provincial Auditor goes a long way to meeting the first two objectives met in the US system. When we look at the third component, however, the GAO will go out and look at program results and will determine

whether the desired results or benefits established by the legislative body or other authorizing body are being achieved and whether the agency has considered the alternatives that might yield desired results at a lower cost.

If one looks at that in the US perspective, one sees there is a whole area of investigation that our Provincial Auditors have not been allowed to examine, or perhaps on their own initiative have decided not to push their authority into. What are the solutions? It seems to me that as society becomes more and more complicated we may have to move more in the direction of the American system. If we look at the GAO and see exactly what it is doing, I think it has some relevance to us in Ontario. Section 9 of our Audit Act makes no mention of the auditor examining proposed expenditures or doing the kind of evaluation of alternatives conducted by the GAO.

Section 17 does allow for the taking on of special assignments but it is fairly clear that those special assignments can only come from three sources. The first of these is the assembly; in other words, in the time of a majority government, from the government. That creates problems if there happens to be a majority government. A second source is the standing committee on public accounts; again, if there is a majority government, that means no contentious issue will be examined.

I am suggesting we may want to look at making the offices of the Provincial Auditor available to any committee or any body of the Legislature to make its studies more meaningful. I am suggesting we look at what happens in our estimates system and at the way we make decisions without knowing the true cost or the projected cost of particular programs.

Those are the kinds of changes that I believe are necessary if we want budgets to be meaningful and if we want budgets to be carried out as spelled out by the Treasurer in stating his original objectives and programs. We cannot speak about a budget without taking into account the need for reforms to ensure that the objectives and outlines in the budget are being implemented by the public service in the way they were intended.

To do all that, we must take some time to examine what exactly the authority of the Provincial Auditor should be. It may well be that his authority has to be expanded to give him the power necessary to examine adequately all the documents and to examine the crown corporations.

3:30 p.m.

Recently, we had the fiasco of the human rights equivalent of the Provincial Auditor, namely, the Ombudsman, being denied access or jurisdiction in the area of the home warranty program. At the federal level we similarly have had the fight of Kenneth Dye, the Auditor General of Canada, to obtain documents.

Unless we sit down and take the time to explore adequately the true role of the Provincial Auditor and of the standing committee on public accounts in a complex society, we are going to have a constant series of horror stories and the wasting of the taxpayers' money.

Only a couple of days ago, Kenneth Dye, the Auditor General of Canada, sent me a copy of some of the results of some panels in which public auditors from across the country and from his own office met to discuss some common issues. I am not going to read all of them, but I have highlighted a few of them. These are the consensus opinions that the Provincial Auditors and the Auditor General of Canada seemed to reach in their deliberations at their seminars in July 1985.

I quote from one of them: "The seminar was generally of the view that there should be clear legislative provisions to enable the Auditor General to have access to all information that he may deem necessary to satisfactorily discharge his statutory responsibilities."

Further on, the report states:

"The seminar was generally of the view that audit reports should preferably contain conclusions and recommendations for remedial action arising out of audit findings.

"It is not good enough for the auditor to point out time and time again the horror stories of the past. Surely what needs to be done is systemic studies of ways in which to avoid the repetition of those kinds of problems in the future."

We have been dealing with this, interestingly enough, in the auditor's equivalent on the human rights side, the Ombudsman of Ontario. For the first time in Ontario, we have an Ombudsman who I think really understands the major theory of what it is to be an Ombudsman and who has outlined some of that theory in his report. Indeed, he looks at the fact that the role of the Ombudsman is not simply to patch up the sins of a particular government ministry vis-à-vis an individual but to find the patterns of problems so they are not repeated and so other individuals do not have the same kind of suffering.

Similarly, I have argued in the public accounts committee that the Provincial Auditor, and

indeed the Auditor General of Canada, should be as much a teacher as he is an investigator; part of his role has to be to establish those patterns that are causing the problem and to train the public service in such a way that those problems are not repeated over and over again.

I noticed with some appreciation that the budget provides for 10,000 new nonprofit housing units. When one considers that there are more than 18,000 families on the waiting list for the Ontario Housing Corp. alone, this will not on its own solve the problem of the scarcity of affordable housing to working people and to poor people, but one must compliment the Treasurer for at least moving in the right direction.

He must, however, look at what has happened to the present rent-geared-to-income housing stock. It is not good enough to talk about the creation of new, affordable housing for poor people without looking at exactly what happened to the existing housing stock under the previous government.

If we look at what OHC spent on maintenance between 1981 and 1985, we find some dramatic patterns. In 1981, the maintenance budget for Ontario Housing—that is, for gross materials and services—was \$67.4 million. The following year, 1982, it dropped to \$66.4 million, a drop of 1.4 per cent at a time when the consumer price index rose by 11.4 per cent. In 1983, there was an increase of 11.5 per cent at a time when the CPI rose by 8.3 per cent.

Similarly, if we take the five years between 1981 and 1985, what we have is an increase in the CPI of 31.7 per cent while the increase for maintenance of the OHC units was only 31.3 per cent. If we look at the Metro Toronto picture, it is more serious than that. The total maintenance increased by 29 per cent as compared to the CPI increase of 31.7 per cent.

This perhaps makes more sense if one understands that what happened was that in the first two years of the majority government, under the then minister, the member for Ottawa South (Mr. Bennett), there were major decreases at Ontario Housing in the money spent on maintenance and there was an attempt, presumably later on, to do some catch-up, but that has not kept up with the rate of inflation.

We also have an increasingly older housing stock because, as the Treasurer will well know, the previous government was not exactly the most active builder of rent-geared-to-income housing in the past five years. As the houses became older, the government was spending less on maintenance. We have a situation where we

have a declining standard of housing among the people who are faced with the problem of living in rent-geared-to-income housing because they cannot afford accommodation in the private marketplace.

When the Ministry of Housing estimates come up for consideration, I am looking forward to discussing at some length where the Minister of Housing (Mr. Curling) intends to move with respect to the recommendations of the standing committee on administration of justice. In 1979, as chairman of that committee under the minority government, I moved that we do a study of rent-geared-to-income housing in this province. The report was prepared but unfortunately was not tabled until after the Conservatives obtained their majority in 1981, at which time they defeated the report.

I note with some satisfaction that the Liberals signed the majority report with the New Democrats. I now hold those same Liberals to implementing the 119 recommendations contained in that report. I will not deal with all the recommendations, but it seems to me there were some that if implemented—and they have not been implemented, at least not the ones I am going to talk about—would have resulted not only in more humane living conditions for those tenants but also in some cost savings to the taxpayers.

By that I refer to such things as the incorporation of an annual meeting for each project in which a budget would be struck and made public. Some input could be made by the community and the tenants. I also refer the members to the fact that we now have no way of judging the efficiency of one manager compared to another under a particular housing authority as they often work through global budgets.

The most heinous of all the kinds of bureaucracy being set up by OHC is the way in which it treats its tenants as though they were little children so that Big Daddy has to take care of them in every way possible. In particular, the transfer policy is a highly authoritarian, highly centralized bureaucracy. It seems to me our committee came to grips with that. We argued for a more flexible transfer policy. We argued that the welfare of the tenants was more important than the bureaucratic considerations of the corporation. Unfortunately, the government has done absolutely nothing about it.

3:40 p.m.

I can tell of women in Ontario Housing Corp. accommodation at the moment who are slaves, who are being beaten over and over but who have

nowhere to go because the OHC has a policy of not breaking up families. Therefore, it will not grant to a woman and her children who are being beaten a transfer to another safe housing unit where she does not have to put up with her estranged husband. We have the ludicrous situation where the only way a poor person can get away from that kind of slavery and beating is to move into a hostel.

The problem, as my colleague the member for Bellwoods (Mr. McClellan) pointed out to the Attorney General (Mr. Scott) in question period the other day, is that there are very few or no spaces in the hostels. When I am trying to get a battered woman into Ernestine's Women's Shelter, a safe environment, it is very difficult. Some people have been there for as long as six months because there is no other accommodation. It is inhuman to keep people in that kind of environment.

The regulations have to change to cope with those emergency situations so that social workers, ministers, priests, and MPPs can document that the woman in question is in an unsafe condition; that it is reasonable to take possession of that unit and transfer her to another one and take possession of the unit which the battering husband is occupying.

There are a number of other recommendations in that report that I hope the minister will address himself to. Over and over I am faced with obvious injustices in the way in which the various tribunals of the OHC operate. Only the other day I had one case, which I have referred to the Ombudsman, in which a gentleman was refused access to the Mississauga Housing Authority because his estranged wife lived under the auspices of the Mississauga Housing Authority. That kind of irrational decision made by some bureaucrat, who decides that somehow he has the right of life-and-death control of people's lives simply because they are poor, is unacceptable in a civilized society.

I am pleased the Ombudsman of Ontario, recognizing the need for systemic studies and having done one on the Workers' Compensation Board, has now agreed with my request to investigate what is happening in the Ontario Housing Corp. and report back to the standing committee on the Ombudsman. I look forward to that report, but I say to the minister in no uncertain terms that he should start with the 119 recommendations of the justice committee, start implementing some of them immediately so that the Ombudsman may be able to come back to the committee and say there are a number of

problems but, luckily, under this government some of those problems are being worked on and some of the recommendations of the justice committee are being implemented.

I would like to deal with another aspect in the report which came as a tremendous surprise to me. The minister no doubt will be aware that the first section of his report I went to as our party's critic on government spending was entitled Better Value for the Taxpayer's Dollar. I thought that was great. Here is the Treasurer starting to deal with some of the issues I had been asking, unsuccessfully, previous Treasurers and Management Boards to deal with. Then all of a sudden a little sentence popped out which seemed to be very contradictory in the light of some of the other positive things contained in that section. I refer to a section which reads, "As a step towards eliminating duplication in the public sector"—so far so good; we are all interested in eliminating duplication in the public sector—"the government will transfer the Ontario Institute for Studies in Education to the University of Toronto."

I find that a very interesting statement. What duplication?

Hon. Mr. Nixon: Two boards.

Mr. Philip: There are certainly not two activities. There is absolutely no duplication whatsoever that the minister can justify. There has been no consultation. This was the minister who, as a member of the opposition, over and over again accused the Tory government of not consulting. This was the minister who got up on Bill 30 and said Davis should not have announced it without proper consultation, and that anything that major in education should not be announced without proper hearings and consultation.

There was no consultation on this. It came as a complete surprise to the University of Toronto, and it certainly came as a complete surprise to the Ontario Institute for Studies in Education. I submit there is no cost-benefit analysis the minister can produce that will show there are any financial savings to this. He has not conducted one. Furthermore, there is no indication of any duplication he can mention. There have been negotiations between the president of the university and OISE over the last few months with regard to renewing the agreement between them, and that was making progress. Instead, this minister out of the blue decides to lower the boom without any kind of consultation between two bodies that were successfully working out a new agreement.

OISE is a world-renowned authority and research facility. It has been bringing the results of world research to the grass roots at eight different centres. One has to ask what will happen to those eight centres if it is under the direct power and direction of the University of Toronto. What guarantee will there be that the research done on the world level will be made practical at the grass-roots level through the kind of implementation programs and consultation programs that OISE has developed.

OISE is a unique marriage of practice and theory. It is a world-renowned institute, and in my humble opinion if the minister had wanted to go in a direction that was positive and would have been creative, he would have gone in exactly the opposite direction. He should have given OISE the right to have degree-granting status. He should give it more autonomy to do the kind of creative research it has been struggling to do over the last 20 years and to implement it at the grass-roots level.

I find it interesting that the average age of the graduate students at OISE is 37 years old. I dare the minister to find any graduate school in the province that has that kind of mature adult learner obtaining a graduate degree.

OISE has been at the forefront in developing innovative documents that have changed our society. I think of years ago and some of the publications on teaching prejudice that resulted in major changes in the textbooks and in the outlook that many people had in the way in which they dealt with education. I think of some of the programs they have done in women's issues and women's education. Some of those innovative programs are not guaranteed under the more direct traditional university system.

Furthermore, as a province-wide body, why should one university have jurisdiction over it and all the others not? What magic is there at the University of Toronto that it should be directing OISE, which is a provincial body operating not just in Toronto but all over the province?

I suggest to the minister that I and my colleagues will certainly give him a fight on this one, and he will not get it through very easily. Indeed, the public, who have benefited from this research and teaching body, will not think lightly of this unsubstantiated, unconsulted and completely incomprehensible decision.

3:50 p.m.

When I talk to Liberal back-benchers and ask them why the Treasurer would do this I get some very funny answers, but they all result in somehow referring to OISE as the birth child of

the Conservative government. In 42 years of government, they had to do something right, and one simply cannot throw it out because one happens to have a prejudice against something that Bill Davis, the former Premier of this province, created. He did create some things that were good and OISE was one of them. OISE should be kept. It should have its autonomy and not be slaughtered in the way this Treasurer wants to do it, simply because it was an invention of the Conservatives.

If we look at the history of the University of Toronto and its extension programs over the years—and I have done some writing in academic journals on this—we see a constant problem of the University of Toronto in terms of extension has always been the almighty buck. Extension is frequently a way of raising money. If the Treasurer puts OISE under the University of Toronto, history may well repeat itself.

The actions taken by Dunlop when he was director of extension in the 1920s may well come back to haunt this government and to haunt innovative education in this province. I suggest the Treasurer should take a second look at this and govern by economic reasons, not by personal prejudice.

I would like to deal with another area, property tax reform. This will come as no surprise to the minister since I have dealt with it at some length. I would like to read a letter I received on Friday. It is written by a fellow by the name of H. H. Walker. Mr. Walker, as some members may recall, was the Deputy Minister of Revenue from 1967 to 1971. He writes on the letterhead of the Etobicoke Condominium Association:

"The undersigned has been working with the above association in making submissions to Queen's Park to try to get fair assessments. You were sent an 11-page paper late in August and a further memorandum in mid-September," which, incidentally, I responded to.

"We believe the government's position is that nothing can be done until the report prepared by David Goyette and due October 31 has been received and studied. We have rejected this delaying tactic. We were hopeful that the government would remove the discrimination against condominiums at the fall session so that their assessments for 1986 taxes would be on the same basis as houses, and all outstanding appeals would be so treated.

"Our efforts to obtain action or even publicity on this subject have not been productive. It occurs to us that some sharp questions in the House might be useful at this time. We,

therefore, have taken the liberty of sending you this information."

That is by a former Deputy Minister of Revenue. He understands the technicalities of the way tax assessment operates in this province and he recognizes it is blatantly unfair. With respect to the current policies of the Liberal government on assessment, we understood the Goyette task force report should be submitted by the end of October to the member for Waterloo North (Mr. Epp), who is the parliamentary assistant to the Minister of Revenue (Mr. Nixon). We have not heard whether that has been done.

One article in the *Toronto Star* indicates the report will not deal with condominiums, that the whole problem of condominiums will not be addressed in the Goyette task force report. Perhaps David Lewis Stein is correct in his information and perhaps not, but it would be useful to find out from the minister whether this is the case.

In general terms, the Goyette report will deal with a number of issues to which we in the New Democratic Party have been addressing ourselves for some years. For example, it will deal with the effect of taxation and assessment on residential improvements. For years I have argued in this House that it was unfair to a person who improves his own home at a cost of at least \$10,000 suddenly to be faced with increased taxes while he was still occupying that unit. Indeed, I drafted a private member's bill that dealt with this. It said in very simple language that if a person improved the interior of his home at a cost of not more than \$10,000 worth of materials, he should not be penalized with additional taxes.

In my community I have many people who work in the construction trades. These people are frequently laid off during the colder winter months, and at that time they have an opportunity to improve the quality of their homes. This does not mean their income is any greater; indeed, it may well be less. Yet they are rewarded for their initiative, rewarded for improving the community, by being hit with higher property taxes. So it is with some relief that I see that the Goyette task force will deal with this.

It seems to me, though, that the fact it will not deal with condominiums is just part of the general pattern of this government in not understanding, as the previous government did not understand, the issues of condominiums. It is not by any accident that the Liberals voted with the Conservatives at the time that heinous instrument, Condominium Ontario, was invent-

ed to act as a bridge between condominium owners and the government. The Liberals voted with the Conservatives in imposing that. Later, of course, we were able to show the whole matter was unconstitutional and the Conservative government, rather than face a challenge in the Supreme Court, withdrew and discarded this body.

We note that the Minister of Consumer and Commercial Relations (Mr. Kwinter), in a September 13 address to the Association of Condominium Managers of Ontario, indicated that amendments to the Condominium Act were not a priority but that the act would "continue to be analysed."

What kind of priority does this minister have? Here we have a series of one phoney condominium conversion after another. Numerous schemes came out during the tenure of the previous government. The previous government plugged one hole after another, and yet here is the minister saying, "Condominiums and condominium concerns are not a priority with me."

I hope the minister will change some of his priorities and recognize that some of the issues we are talking about vis-à-vis condominiums are also issues that directly affect the tenants in rental buildings, and that we have to deal with the concept of condominiums, define it properly and plug those loopholes in the Condominium Act that allow various schemes of creating phoney condominiums or phoney co-operatives.

The minister will no doubt remember it was only a couple of years ago that I tabled in this House extensive research—as a matter of fact, there were 35 pages of tables, as I recall—which showed there were great inequities in the property taxes charged to condominiums as compared to those charged to other types of home owners. At that time the minister said he was not prepared to act, although, in his words, the research by and large held up, with one or two minor corrections that his officials could find.

Then we had the decision of the Divisional Court in 1984 by Justice Steele and Justice Catzman in the Peel Condominium No. 57 decision, which held that the condominiums must be assessed at the same level of assessment to market value as the owner-occupied single-family residence in the year under appeal. The minister at that time, the member for Mississauga East (Mr. Gregory), suddenly decided he would take some action, and there was a reassessment.

4 p.m.

In my own riding, it meant that condominium taxes went down, in one instance by more than

\$400 a year and in other instances by as little as \$2 a year. None the less, taxes went down by an average of probably in the \$200 to \$300 range. Condominium owners welcomed this, but I suggest there are still inequities in the present assessment. Therefore, with the considerable amounts of research I am going to provide to the minister, I would like to show him how there is still a tremendous amount of injustice in the way condominiums are assessed.

In the first place, there is a very incomprehensible decision by the justices in the case of Peel condominium number 57. I will read this to the minister because I am sure that if he can understand it then we will all be set straight, but I have had three different condominium lawyers who have given me three different interpretations of what the judgement means. It says:

"In the case of residential condominiums, there is an obligation on the court to assess them in the same proportion to market value as that of owner-occupied single family residences. There is nothing in section 65(2) of the Assessment Act that restricts this obligation to the year 1975, and it must be considered annually."

Of course, the debate we have is about the word "obligation." It is used twice, but the obligation is not clear. Is there an obligation on the assessment court to reassess condominiums every year? If that is the case, then we have a grave injustice. Why should condominiums be reassessed every year with values going up, as they naturally do on all forms of housing by and large, when other forms of housing do not have that same reassessment every year? What it means is that condominiums will, once again, over and over again, be paying higher taxes. If one is going to reassess each year, why should one group of houses, namely condominiums, be reassessed and others not reassessed? There is a blatant injustice there.

On the other hand, if the decision simply means that anyone still has the right to a reassessment if he happens to disagree with his property taxes in any given year, then it makes some sense; but that is not clear. I am told that what we seem to have is the assessment offices using this as a device for jacking up the taxes.

If we take an overview of the current revised condominium assessments and the assessments in Etobicoke, which I have taken as a result of the previous Minister of Revenue's announcement of November 20, 1984, of condominium reassessments, it appears that the overall impact in Etobicoke, and Rexdale in particular, has been in some respects towards a fairer system of

residential property taxes, but substantial lingering latent inequities remain.

As a result of the vicinity basis of the assessment-to-sales ratio, computations as outlined in the graphs which I can show to the minister, and as confirmed by the court, for condominium assessment in the Rexdale vicinity, which is vicinity 12 on this map—the minister might like to take a look at that at some point—show a ratio of 0.64. On the other hand, if one looks at area 5, which is the Kingsway area, we have a ratio of 0.41. By the same token, if one looks at the Lakeshore area, which would be area 1, which is another working and middle-income area, one sees another fairly high ratio of 0.52.

I will list the figures with the sales for the minister's interest. In the case of area 1, there is a ratio of 0.52, based on 120 sales; area 2, 0.053, based on 143 sales; area 3, 0.052, based on 52 sales; area 4, 0.055, based on 19 sales; area 5, 0.041, based on 97 sales; area 6, 0.057, based on 513 sales; area 7, 0.053, based on 315 sales; area 8, 0.057, based on 90 sales; area 9, 0.058, based on 365 sales; area 10, 0.052, based on 127 sales; area 11, 0.060, based on 117 sales; and area 12, 0.064, based on 412 sales.

One can see a pattern. What happens when one takes a map is one can see that in the city of Etobicoke the people living in middle-income condominiums are more heavily assessed than those living in the Kingsway and more affluent areas of the city. That is blatantly unfair and a complete reassessment needs to be done to make a much fairer property tax system.

These computed ratios, based on actual sales, were applied to all the existing condominiums and co-operative developments in the vicinity to adjust assessments for 1984. For new condominiums, an estimate would be made of market value and, through the application of the ratio, the assessment would be set. For the current year, the local assessment office used a similar methodology to perform the required annual update of condominium assessments, where necessary, in relation to the vicinity trends.

Senior assessment officers do not believe market value trends result in many assessment changes, but when we look at this we see there are great inequities in the system. These discrepancies demonstrate the potential sensitivity associated with any moves towards comprehensive assessment reforms and adjustments across Etobicoke and throughout Metro Toronto. The onus is on the minister and the Minister of Revenue to look at these inequities and correct the obvious injustice.

At a more general level, the overall impact in 1984 of condominium and co-operative assessment adjustments among the 11,164 units in Etobicoke—that is, the 10,728 condominiums and the 436 co-ops—was an average decrease in assessment of \$216. I indicated that was a pattern that held in my own area of Rexdale. Of this total number of units, 75 per cent or 8,425 experienced a decrease and 2,736 experienced an increase.

In an earlier report, estimated 1984 property tax savings for a selection of developments were computed with the application of the 1985 mill rates—252.64 mills for public school support and 255.44 mills for separate school support. All indications are a similar computation could be done with a selection of developments for 1985. That is what we are in the processing of doing.

In summary, while the government took a step in the right direction in doing some reassessment of condominiums in 1984, there are still grave injustices in the amount of taxes being paid by condominium owners, and there are great discrepancies between those areas, such as area 12 and area 1 in Etobicoke, compared to the more affluent areas and the more expensive condominiums.

4:10 p.m.

There are a number of questions we have to deal with. In 1975, this Legislature unanimously approved an amendment to the Assessment Act, subsection 65(2), so that condominiums would be assessed at the same proportion of value as houses. However, the recent court decision about York Condominium Corp. 460 has pointed out a defect in the amendment, so condominiums are not entitled to be assessed at the same proportion of value as houses.

The minister must look at what can be done because this is not happening. On a district basis, all the condominiums that are already higher than they should be are being taken into the overall average in calculating the average assessments. In other words, the condominiums are themselves part of the factor in boosting the recalculated condominium tax assessment.

Recently, the Ontario Municipal Board set down rules regarding the representation of condominium owners in assessment appeals. The story written by David Lewis Stein suggests that the report that will be tabled by Dave Goyette may make the recommendation that specific permission or authorization has to be granted by each home owner in order for someone to represent him or to appeal that particular assessment. This makes it very difficult where

often one may be dealing with an absentee condominium owner and his permission may be very difficult to come by.

I suggest this should be looked at. If Mr. Goyette is recommending something like this, he should see the distinction between private homes and condominiums and the problems they face, and allow for the fact that condominium boards should be empowered to represent and argue for the reassessment of any condominium unit in the particular block of condominiums it represents.

There are a number of things in the budget I would like to address at some length. Unfortunately, I have come down with the worst case of flu I have had in several years and my voice will not hold out.

By and large, the budget is a move in the correct direction; I will not say in the right direction. Certainly, some of the provisions in it are in keeping with the accord we have signed.

I hope the minister will take a look at some of my objections to what is not in the budget and at some of the more objectionable things I find in the present budget. I look forward to debating these with him and his officials in the days ahead.

Mr. Cordiano: I wish to elaborate on the remarks of the Treasurer respecting the impact of the budget initiatives on post-secondary education in Ontario. My remarks also supplement those of the Minister of Colleges and Universities (Mr. Sorbara) in his address to the House on October 17.

As members know, this government is committed to improving post-secondary education in Ontario. A number of measures recently have been announced to give force to this commitment. The Treasurer indicated that, as a result of the stabilization in the rate of inflation, basic transfer payments to the colleges of applied arts and technology and to universities will increase by four per cent in 1986-87. This means the government will make available a total of almost \$1.3 billion in operating grants to the universities and \$528.1 million to colleges of applied arts and technology.

In addition, university and college excellence funds have been established which will inject an additional \$80 million into post-secondary education. Funding for the Ontario student assistance program has increased by eight per cent to \$145.8 million in 1986-87, while tuition fee increases for college and university students have been held at four per cent.

I am sure members will agree these initiatives represent a very significant commitment to improving post-secondary education in Ontario,

particularly in the face of a decade of government neglect and chronic underfunding. The evidence of chronic underfunding is particularly evident in our universities.

Student-faculty ratios have increased during the last 10 years. There are fewer support staff in libraries and laboratories and good research opportunities have been lost. Library acquisition and equipment budgets have diminished. With the universities' reserves stretched to the limit, the physical plant has been deteriorating. In the face of all this, relations between the universities and government have frequently been in conflict.

There is a whole new attitude towards post-secondary education in the province. We intend to put the universities back on the path of excellence. We intend to make a major financial investment in the health of our universities.

I would now like to discuss the university excellence fund announced to the Legislature by the Minister of Colleges and Universities on October 17. This fund, which will enhance the quality of both teaching and research, will provide an additional \$50 million in special grants to the universities and related institutions in 1986-87. The fund will involve three major components already stated—faculty renewal, research leadership and library enhancement and instructional equipment.

The faculty renewal component of the fund has been established in recognition of the need for an infusion of new, younger faculty into our institutions. The government has allocated \$10 million for this program in 1986-87. The introduction of new faculty should increase the opportunities for young Canadian scholars and improve the representation of women on the faculties in our universities.

The research leadership component of the fund will provide \$15 million in 1986-87 to enhance the research resources of the universities. It will be used to assist in the acquisition of research equipment, specialized experimental facilities and highly skilled technical and professional research support staff.

The library enhancement and support equipment component of the fund will provide \$25 million to assist the institutions in the acquisition of library reference materials and equipment and urgently required teaching aids, computers, laboratory and scientific equipment for substantial instructional upgrading.

In view of this contribution to university teaching equipment needs, institutions will be enhanced so as to restrict the imposition of new

incidental fees to defray the cost of program-related equipment and computer usage.

The excellence fund will also provide \$9.5 million in capital assistance to universities for 1986-87. This amount is in addition to the \$10.5 million allocated for regular capital assistance for 1986-87. These efforts are a firm beginning to what the government knows must be a continuing effort to reverse the history of inadequate support by the previous government.

I wish to now discuss the impact of the government's initiatives on colleges of applied arts and technology. Members are also aware of the critical role played by colleges of applied arts and technology in producing a highly skilled work force in Ontario.

4:20 p.m.

As I mentioned earlier, the government will provide \$528.1 million in operating support to colleges of applied arts and technology in 1986-87. This represents a four per cent increase over the 1985-86 allocation and follows closely on the heels of an additional \$20 million provided to colleges earlier this month to offset costs arising out of the arbitrated salary adjustment for college faculty and for other extraordinary costs as a result of the strike last fall.

I believe the operating support being provided to colleges of applied arts and technology is evidence that this government is committed to providing the high-quality training required in this province. That commitment is further strengthened by the announcement of the Treasurer in the budget of the creation of a college excellence fund to foster excellence in the delivery of program in the colleges.

The total funding for this program in 1986-87 will be \$16.5 million; \$10 million will be provided to assist in the purchase of instructional equipment that will give students hands-on experience on equipment they will be using once they enter the labour force, while \$6.5 million will be provided by way of capital support for the renovation or expansion of teaching facilities in the entire college system. The \$6.5 million is in addition to the regular capital allocation of \$8.5 million and brings the total capital allocation for 1986-87 to \$15 million.

I also want to reflect on the Ontario student assistance program, which provides financial assistance to students, many of whom are from low- and middle-income families. It allows them to attend post-secondary institutions they otherwise normally might not have the opportunity to enter. As I mentioned earlier, funding for this program will increase by eight per cent in

1986-87 to \$145.8 million. This is a significant increase, which amounts to \$10.8 million over the previous fiscal year. These funds will be used to meet the four per cent increase in tuition fees at Ontario's universities and colleges and to make various improvements to the assessment criteria and allowance levels. More details respecting these changes will be announced in early 1986.

In the past five years, funding for the Ontario student assistance program has not kept pace with inflation and the growth in applications. There has been a gradual shift in student assistance from grants to loans, and students have had to face increased debt and loans over this period. The budget for 1986-87 is intended to try to solve some of the problems facing students. They face increasing debt. Funding increases for the Ontario student assistance program will reinforce the commitment of this government to improve accessibility to post-secondary education for residents of Ontario. This is a very significant commitment to OSAP.

These measures demonstrate this government's real commitment to improve post-secondary education in this province. We intend to make the post-secondary community an environment for individual and institutional growth and excellence.

I want to turn our attention to some initiatives with respect to the Ministry of Skills Development. The 1985 Ontario budget reinforces the argument of the Premier (Mr. Peterson) at the August 1985 first ministers' conference that we must try to improve our past performance in the placing of human capital investment in achieving both economic growth and personal performance.

A number of initiatives announced in the budget will help our young people and various other groups in the labour market to prepare for and find employment in this province. The \$75-million increase, to \$100 million, for youth programs in the budget for 1985-86 is welcome, and I know people throughout my riding have commented very positively on this step.

A total of \$200 million allocated for youth training and employment programs for 1986-87 also reflects a maturation of the Futures program and other youth initiatives. This program will create employment opportunities and training places for more than 230,000 young people, with 110,000 obtaining opportunities this year and 120,000 benefiting next year.

I have some comments on the Futures program. The Futures program met the commitment the Premier made two years ago and repeated on

July 2. Two years ago, our present Premier promised a program that "would guarantee hard-to-employ youth meaningful employment in return for individual efforts and educational upgrading." On July 2, the same man, as the newly sworn-in Premier, said: "We must rationalize all our job creation programs and ensure they are understandable and accessible to the public. This is especially true of the programs for young people."

Announced by the Minister of Skills Development in the Legislature on October 22, Futures meets both commitments made by the Premier. This program has another unique feature; it is designed so a major effort can be made to break the cycle of recurring unemployment by providing on-the-job training and experience for one year for young people committed to working towards grade 12 equivalency.

As I stated earlier, Futures has received a number of plaudits in my riding and throughout the province. Let me quote briefly from one. On October 24, the Toronto Star, in talking about jobless youth, said, "A co-ordinated effort, a simpler way, was needed, and a good start in that direction has been taken by the Ontario government." It went on to applaud the Futures program and said, "Bit by bit, the government is co-ordinating and improving its patchwork of job creation programs for the young." The Star also said the program will "be closer to the realities of the marketplace than previous programs."

Futures, which goes into effect today, was designed to address the problems of the hard-to-employ youth. This challenge has not received sufficient attention in the past, and it will now be effectively addressed with the appropriate resources. Last year, the government of Ontario spent \$76 million to help 33,000 hard-to-employ young people. This year, with this program, the government will spend \$133 million to help 56,000 young people. That is quite a significant change from the past.

This new program also hastens the decline in youth unemployment in Ontario, which has come down from 160,000 last year to 124,000 today. The program deals primarily with the long-term structural problem. The total level of unemployment remains largely affected by the business cycle and requires appropriate national fiscal and monetary policies, which are being addressed.

4:30 p.m.

The unique structural problem of hard-to-employ youth arises from a lack of work experience, education and skills. Previous pro-

grams often did not address all the barriers or did so insufficiently within the maximum period allowed. The one-year work experience guarantee, in particular, provides youth with a new and real incentive to improve their education, which is absolutely essential to their long-term employability and long-term success. The requirements of individual training also ensure that work experiences are more relevant and have an ongoing benefit.

Various delivery organizations of the Ministry of Skills Development are the 90 campuses of the colleges of applied arts and technology and the 55 youth employment counselling centres across the province.

The 1984 Ontario budget announcement of the three-year, \$450-million youth opportunities fund indicated it was the previous government's intention to spend \$150 million on youth training and employment in 1985-86. The \$175-million figure indicated in the 1985 budget represents a \$25-million net increase this year and a potential \$50-million net increase in 1986-87. In addition, there is \$13 million allocated to school boards over the next three years for co-operative education programs, which will attempt to assist high school students make the transition from school to work, and that is very important.

The budget is a fresh, new approach, and it is a comprehensive approach to industrial policy in a sense which tries to recognize the increasingly important role of skills training and the individual worker in industrial and economic development. In addition, the construction activity of the initiative to increase the stock of nonprofit rental housing units in the province will generate 30,000 jobs, many of which will flow to the young people of this province.

As well, the 10,000 additional subsidized child care spaces will assist women with families to enter or re-enter the training and labour markets by giving them an opportunity to find meaningful work. Creation of the \$100-million special northern development fund will also increase training and employment opportunities in northern Ontario.

In conclusion, I wish to say the budget meets the commitments made by this government over the past election campaign, and throughout the summer as we consulted with various groups throughout the province, through a fiscally responsible plan which was set out in our accord with the New Democratic Party. This budget has put words into action, and it deserves our final approval.

Mr. Shymko: I am just apologizing to one of the pages who wants my autograph. I do not think this is related to the eloquence that members will be hearing in the next few minutes, but I have asked the page to wait and listen to my speech, and if I deserve it then I will provide her with the autograph. Is that agreed?

Mr. Speaker, it is not agreed; so if you allow, I will sign the autograph, since members can be assured I will try to match the eloquence of all those who have spoken previously from this side of the House.

I am honoured to participate in this debate. I would like to say the Liberal government has begun its reign in this great province of ours with a fiscal program that I would describe as one of betrayal. I refer to the betrayal not of this party but of those who have signed the very interesting accord, and of the citizens of this province to whom so many promises were made during the campaign.

The government has begun its fiscal reign with higher taxes, lower credit ratings, higher deficits, broken promises, and yes, dishonesty. This is being done at a time when the recovery we are witnessing today should be providing tax relief to the nine million people of this province. Instead, our consumers are being hurt, they are being undermined and they are being cornered at every turn.

It comes as no surprise that the very day after the Treasurer's budget, the "vice-premier" of this province told the Treasurer, "Were it not for the accord that we negotiated, the Liberal Party today would be all dressed up with no place to go, and possibly a few steps in reverse." What we see is a total reverse, a reverse in full gear.

Let us talk about a different type of betrayal. I refer to the members of the third party. The member for Dovercourt (Mr. Lupusella), who is eagerly engaged in conversation, should listen to what I have to say.

Over the weekend, we all heard the news that the Quebec Federation of Labour, in a very historic decision, decided to pull back from its support of the Parti Québécois. Those who for many years supposedly represented the interests of the working men and women of Quebec pulled out because they realized for the first time that they had been betrayed by those who pretended to represent their interests.

The third party, the party that has placed this government in power and is making sure this government will continue to reign for another year and a half, will not get away with speaking out of both sides of its mouth, trying to have its

cake and eat it at the same time and pretending it is concerned by this budget. It is a budget they helped to construct. The increased taxation of the working men and women of this province through income tax, the 3.5-cent-a-gallon increase, which will hurt the workers of this province, is a conspiracy for which they are to be blamed. This is not a Liberal budget; it is a New Democratic Party and Liberal budget.

The New Democratic Party would like to refer to its leader in Quebec as Jean Paul Harney, but the French media for some reason just call him John Harney. Mr. Harney, referring to the situation in Quebec, said the following in *Le Devoir*. I will read the French text and translate it for the benefit of those who are constrained by the lack of simultaneous translation, Mr. Speaker, which I know you personally endorse. This is a quotation from Mr. Harney: "Les gens ne font plus de différence entre le Parti québécois et le Parti libéral."

He is saying that people now do not see any difference between the Parti Québécois and the Liberal Party in Quebec. The people of Ontario now do not see any difference between the NDP and the Liberal government in power. They know very well.

4:40 p.m.

It is impossible and inconceivable that the Treasurer of this great province, who speaks of consultation and of an open process, did not consult the "vice-premier" of this province. I can assure my constituents and the citizens of this province that there was a great deal of consultation about every aspect of this budget. There was a great deal of consultation as to whether we should hit every family in this province with an increase of \$800 to \$900 a year. There was consultation about the working men and women of this province, where the average worker travels 30 miles a day to work. There are not the Cadillac-driven limousines; there are the little rusting cars, the penny that is saved by the working people of this province.

The New Democratic Party consented that they should be hit with an increase of 3.5 cents a gallon. The members should not be fooled that, all of a sudden, they are all angels on that part of this side. They will not get away with this. They will not get away with it in my riding and I assure the House they will not get away with it in the riding of the member for Brantford (Mr. Gillies). We see the province going full gear in reverse in this budget.

Mr. Gillies: Are you angels?

Mr. Warner: What an embarrassment. We are not in power.

Mr. Gillies: By the time the New Democratic Party is in power, we will all be angels.

Mr. Shymko: Mr. Speaker, could you ask my honourable colleague if he would refrain from his emotional support of the statements I am making? I understand there is much agreement by all members on this side with what I have said and with what I will continue to say. I would like the members to quieten down and listen to what I have to say.

I am a back-bencher. I recall sitting on the other side in the last row listening to the present Treasurer and others over there as they criticized our budget. I will agree that at times we listened and some of it made a great deal of sense. This time they should listen to what we have to say because every word of what we say makes a great deal of sense.

We hear all sorts of rumours. There is a no-confidence motion that I am sure will be voted upon very soon. People talk of an election. If this is an election budget, we all know where the party in power will be heading—Nowhereland.

Mr. Lupusella: They cannot break an agreement.

Mr. Shymko: I really doubt that the third party and the member for Dovercourt will have the integrity or the courage to stand up and vote against this budget.

Mr. Lupusella: On a point of order, Mr. Speaker: I would like to remind the member for High Park-Swansea that I am the member for Dovercourt, not Davenport.

The Acting Speaker (Mr. Morin): That is not a point of order; it is only recognizing that he possibly named the wrong riding.

Mr. Gillies: On a point of order, Mr. Speaker: I do believe the member for Dovercourt would have the courage to vote against this budget.

The Acting Speaker: Order.

Mr. Shymko: I hear there may be some riding changes and I am sure the member for Dovercourt is concerned about what may happen to his riding in the future. I sympathize that the name and the boundaries may be changed. I know the member for Bellwoods has a keen interest in the new riding.

In the admiration I have for the member, I pray that the riding of Dovercourt will not be affected by the Ontario Electoral Boundaries Commission so that he can serve his constituents in the great capacity and with the eloquence he has served in the past. The member will have to decide with his

own colleagues who will be the nominated candidate in the new riding; I will not venture to do so.

Let us continue to address the issue at hand, this historic budget. Under our Conservative government, Ontario, as we all know, led the rest of Canada out of the worst recession in recent history. Sixty per cent of all new jobs in Canada were created in this province as we pulled this province and, indeed, this country out of a very difficult two-year recession period. Ninety per cent of these jobs were in the small-business sector, which is not addressed by this budget. The previous year, we achieved an employment rate increase of 4.5 per cent, well above the national average for Canada, creating 185,000 more jobs in one year by June of this year, compared to what this budget is doing and the predictions we see: a minimum of 44,000 jobs fewer than we would have created had we formed the government.

This was done by a budget which, for two years in a row, was reducing the provincial deficit and which, had we continued to govern, would have totally eliminated the deficit in the next two to three years—no deficit, no burden on the taxpayers of this province. It was a time when Ontario's growth rate was 6.5 per cent, something that even we could not have predicted, by the quality of the programs and by the wisdom of the budgets that were presented to this House.

By comparison, what we see, as I mentioned earlier, is 44,000 fewer jobs and an increase in the deficit of more than \$500 million to \$2.2 billion. I understand the figure, if one recalculates it, is much higher. It is not \$2.2 billion; it is something close to \$2.6 billion. We see a slowdown in real economic growth from 6.5 per cent to 4.5 per cent this year, and a further reduction to 2.4 per cent, as predicted by this government, next year, a situation that will destroy the triple-A credit rating we have enjoyed for so many years in this province.

Let me refer to some of the statements that were made by the present Premier during the election. I quote the Hamilton Spectator. To the question, "Is cutting the deficit a high priority for you, Mr. Peterson?" he replied, "We will be able to fund all necessary programs without increasing the deficit."

Mr. Ramsay: Without?

Mr. Shymko: Without increasing the deficit. This is the statement, a promise, an assurance, a conviction, a faith, just a few months ago.

Mr. Ramsay: A sacred trust.

Mr. Shymko: A sacred trust, as the honourable member has stated. Am I quoting it right? Yes. What was the rebuttal of the present "vice-premier" to this? The member for York South (Mr. Rae), in his rebuttal—what interesting statements—said the following:

"Let us look at the record of the Liberal government. The federal Liberals drove the country to the highest level of debt ever in the history of Canada. We will be paying the price of Liberal economic mismanagement for years and years to come."

4:50 p.m.

How true. The leader of the third party said this. If that is the wisdom, if this is a budget that apparently reflects a Liberal consensus, a view of this province, let us quote the words of the member for York South, the man who today is making sure this government is in power, that as a result of such budgets this province will be paying the price of economic mismanagement for years to come.

It may be Cassandra's warning to the present regime; the upcoming and quite probable fall of the Liberal Troy. I believe these Liberal Trojans should beware of that Trojan Horse, the third party. I assure the members it will do everything in its power in the next few months to make sure this government is defeated. There will be a stage where its credibility with the working men and women of this province, whom it supposedly represents, whose interests it supposedly voices—I will not use the words "double entendre," but certainly something that may be described as hypocritical so often as it espouses and speaks of the concerns of the working people of Ontario—that position and those commitments will be tested and will be tested very soon.

It is interesting to see the reply to another question in the same interview. The interviewer asked the Premier during the election, "Would your government raise taxes to cut the deficit?" The answer by the present Premier, "I do not anticipate any tax increases."

It is easy to criticize when one is on this side, but it is a true test of ingenuity when one ends up on the other side and takes on the responsibility of government, as I am sure the Treasurer, whom I respect so highly, has learned so very quickly. Where is denticare? It is not around, but it is easy to make promises. It is hard to deliver when one has the responsibility over the lives, the standard of living, the future and the hopes of nine million citizens in this province, and the government has to pay for it. As the member indicated, where does the government get that money?

We do not see a comprehensive, plausible and coherent set of economic and fiscal policies, supposedly from those who for four decades witnessed, criticized, watched the operation of the Progressive Conservative government of Ontario. One would have thought that after 40 years they would have learned something. What do we see? We see fiscal policies which do not create incentives for job creation, which they harped upon time and time again, saying, "Create more jobs."

It does not speak of investments in the economy to help not just the young unemployed under the age of 25 whose tragic state we all recognize, but to address the unemployed over 25, the fathers, the wives, those who are in charge of the fates and livelihood of families, the 386,000 jobless over 25 years of age. Their concerns and tragic state certainly were not addressed by even one penny in this budget.

There are many here today who will be listening to the concerns for those 386,000 jobs because we will be knocking at the doors. This party knows what it will be saying. I would like to see the reaction of the Liberals and those who have propped them up and are propping them up in power, the New Democratic Party, to explain why there is nothing in this budget to alleviate the plight of these unemployed.

We see \$642 million of broken promises, promises that have not been delivered. I am not going to list all of these. I am sure my colleagues have done this already. Instead, there is \$754 million in the tax formula, not for the economic growth but for the economic stagnation of this province.

Devised by whom? Devised by economic and fiscal experts from Ottawa, the unemployed who unfortunately found themselves in a position where they could not get any patronage appointments. They were there counselling this new government. Those who had destroyed the fiscal health of this country nationally were there advising. The federal Liberal mandarins were there with the Treasurer and the Premier, advising them on this new, responsible approach, this new Liberal approach to progress in Ontario.

I recall that in my riding both the leader of the New Democratic Party and the present Premier made promises about gasoline. I would like to quote some of their statements about gas increases. I quote the *London Free Press* of April 20, 1985, from Chatham: "Liberal leader David Peterson promised Friday to freeze provincial gasoline taxes at current levels if elected, ending

what he termed an 'automatic tax grab' by the Conservatives."

An automatic tax grab. What do we see today? When petroleum prices are falling at an unbelievable rate, the Liberals are grabbing every penny, every dollar, from the working people of this province, from the vast majority of those middle Canadians and those who can be described as being in dire straits today. Talk about a tax grab.

"If elected," Mr. Peterson said, "the Liberals would not only freeze provincial taxes at the current eight cents a litre but would require further provincial tax increases to be legislated." There are some interesting increases, and I wish them success in the legislation of these increases because they will come to haunt them very soon.

Another interesting quote refers to the "destitute state of the impact that this increase in gasoline prices will have in northern Ontario." Members may recall the statement that no transportation subsidy was something they could not accept. They said there would be a transportation subsidy. There would be a tax credit to northern Ontario. We certainly do not see this.

I quote the Thunder Bay Chronicle-Journal, "Ontario Liberal leader David Peterson is wooing northern Ontario voters with a promise of a \$100 income tax credit per household." But where do we find this tax credit in the present Treasurer's budget? "'Gasoline is one factor in the high cost of northern living,' said Peterson. He said northern residents drive more miles on the average than their southern counterparts and so the pinch would be more painful here."

If these were his words, he is swallowing them bitterly. I see the honourable minister from northern Ontario.

Mr. Ashe: The only one.

Mr. Shymko: The only one present here.

Mr. Ashe: The only one elected.

Mr. Shymko: The only one elected. He will feel the political pinch of these words. He will feel it.

5 p.m.

Let me not just make my references and my quotes from the Premier. Let us listen to what the "vice-premier" of Ontario had to say in those days, the man who made sure these tax increases are going to hit the people of Ontario. Let us listen to what the member for York South had to say in the Toronto Sun, April 4, 1985, reported by a great journalist, Lorrie Goldstein. This is what Mr. Goldstein had to say:

Mr. Peterson "last night pledged himself to no tax increases without legislation if he's elected

Premier." And Mr. Rae "accused Premier Frank Miller of deliberately delaying scheduled increases in the province's ad valorem gasoline tax until after the May 2 election." Remember the big scare: "Elect the Tories and you will be hit with massive gas increases"? Mr. Goldstein continued: "Rae predicted the price of gasoline will rise by 37 cents a gallon in the first year.... Miller and Prime Minister Brian Mulroney, Rae charged, are conspiring to slam consumers with higher gasoline prices after the election."

Miller and Mulroney are conspiring, he said. Well, well, well. Who conspired today? It was the Premier and the leader of the third party, the unholy leaders of that alliance. Various names have been given to this alliance. They keep referring to the conversion on the road to Damascus. Apparently, someone needs to be converted, and the people will convert them the hard way, believe me. Talk about a conspiracy!

There was an interesting article in the Globe and Mail on April 24, 1981. The following editorial said something that is of great interest to us today: "The Trudeau government has done it again—campaigns on one policy to win an election and then, the election safely won, reversed the policy."

"It did it in 1974 over wage and price controls....It has done it again over oil and gasoline prices."

"Yesterday," it said, "this Liberal government imposed new taxes of three and a half cents a gallon on gasoline." That is exactly the same increase that was instituted by this government. It went on to say "they brought total Liberal gasoline...price increases well above the levels proposed by the Conservatives just 14 months after the Liberals won an election." The article concluded: "What are promises to a Liberal government?"

What are promises indeed to a Liberal government? I will tell the members. No matter what budget will be introduced next spring, we know it will be an election budget. This is not an election budget; there is no way one can win an election with the Treasurer's budget. There will be another one in March 1986. There will be goodies and there will be promises. But once the Liberals have destroyed their credibility on the first budget of broken promises, no one will believe them in March 1986.

We will see next year. Take my warning as someone who sympathizes with members on the other side. Take my warning as they at times warned us and at times made sense.

Interjections.

Mr. Shymko: The member knows I listened attentively to his words when he was on this side. I wish he would reciprocate in the same way.

While talking about incentives, let us take a look at the so-called corporate tax. The \$200 million to be collected by this budget from corporations as additional taxes, in my opinion and in the opinion of every intelligent person in this House, could have been reinvested in jobs by these very same corporations.

I recall a question from the front bench of this side of the House asking how many jobs would have been created had the more than \$200 million of corporate taxes been reinvested by these very same corporations. There was no answer. There was a lot of hedging but there was no answer. With this budget, the poor, who are already in dire straits, will be even worse off, while the middle class will continue to carry an even greater burden.

I would like to refer to an analysis and a statement of this approach to a Liberal budget from the Toronto Sun. I know the Treasurer will say: "The last newspaper I would listen to for wisdom and advice would be the Toronto Sun."

Hon. Mr. Nixon: Their editorial was quite complimentary. I hope you are not just reading selectively.

Mr. Shymko: I am sorry, I presumed.

I would like to quote something from the Toronto Sun, dated October 25 of this year. This is from the business editor, Mr. Turner, whom the Treasurer knows very well. Let us listen to what Mr. Turner had to say. This budget by the Treasurer is "a classic Trudeau-like shot at redistributing wealth"—taxing the assets of the middle class to try to finance their program. Mr. Turner said this budget is something that may get some vote appeal from certain circles. "Too much money is being pulled from those who are most likely to invest in the still-fragile economy. The list of horrors, for Middle Ontario, is a staggering one."

"With a knee-jerk bow to ideology"—and we know which ideology and to whose ideological principles—"the Peterson Grits are dousing any real chances the federal budget has of sparking new economic growth. It's stupid, mean-spirited, socialist drivel. Ontario is being forced in a new direction, where those who achieve are penalized for it.

"The inevitable result will be a sick economy with chronic joblessness and a bureaucracy gone wild. Maybe not this year. Maybe not next. But it will come.

"And when it does, we will regret Bob Nixon, and we will regret yesterday."

Unless members opposite listen to what is being said, they will indeed regret their yesterday.

I watched the reaction of the Treasurer when I mentioned the name of Mr. Turner. He obviously understands why Mr. Turner would describe the budget in those eloquent terms that obviously create some pain.

5:10 p.m.

I would like the Treasurer to listen to words from a Liberal colleague of his, a former Liberal cabinet minister from Ottawa. Let us listen to what the Macdonald report on the economy has to say. Let us listen to what Donald Macdonald has to say about investment and fiscal policy. Let me quote from volume III, page 86. It was indeed interesting reading to go through these volumes. It cost me \$46 or something, but it was well worth the investment. This is what Mr. Macdonald had to say:

"Given that, after 1973, investment was higher in Canada than in any other country in the world except Japan, our investment performance relative to other countries appeared in those years adequate, at least before the 1981-82 recession. However, there may be at present cause for concern. Real investment in Canada suffered a sharp decline during the recession and has not as yet began to recover significantly. Investment in the United States, however, has since rebounded sharply. In looking at figures, these are the facts."

On the following page, he says: "An increase in investment raises the level of output. To maintain the new level of output, namely, the 6.5 per cent economic growth we saw last year, it is necessary to devote an increased proportion of output to investments. Otherwise," says the wise royal commission of intelligent people, not reporters from the Toronto Sun, "the economy will eventually return to its original growth path." The Treasurer knows this. That is why it will return to a growth of 2.6 per cent. He knows the impact of his budget.

The commission goes on to say that the benefits from increased investment, while perhaps not dramatic, are worth while. They will improve the economic welfare and raise living standards by increasing investments. How do we do it? I will conclude by mentioning the two options recommended by a royal commission headed by a former Liberal cabinet minister, Donald Macdonald. This is his recommendation

to the Treasurer and the Premier and to the "vice-premier," the leader of the third party.

"One policy prescription to stimulate investment is to reduce the taxation of capital. Another is for the government to increase savings available to finance investments by reducing its own deficit." Reduce taxation of capital and reduce government deficits. That is the proposal, the statement, to continue the economic growth we have enjoyed in the past. What has this government done? It has done the complete opposite. It has increased the deficit and increased taxation.

Mr. Knight: The member should pretend he is over here.

Mr. Shymko: I do not even try to pretend to have the wealth and depth of wisdom in economic affairs of the Treasurer, but I can read, quote and understand what a royal commission is saying. I would like to ask the Treasurer, where is that \$5-million women's training employment fund offering loans and grants to train women in nontraditional occupations? It disappeared all of a sudden. Where is that \$100-million employment tax credit for small businesses which his party had unveiled during the election campaign to create 22,000 jobs?

Hon. Mr. Fontaine: It is coming.

Mr. Shymko: Someone said it is coming. I do not know who said it was coming. In the fullness of time is what we keep hearing.

I will not go into all the details of many of the programs, particularly for women. I am a member of a Toronto riding in the west end and a member of the Metro caucus. There are Metro caucus members on the government side. I would like to remind the Treasurer there are 100,000 injured workers in Metro Toronto. Do not tell me this budget will not affect them to their detriment.

There are 80,000 single mothers in Metro. Do not tell me his budget will not affect them to their detriment. There are 150,000 persons over 25 years of age unemployed in Metro Toronto. Do not tell me they are greeting his budget with open hands and arms—open hands perhaps, begging for help and programs. There are 1.2 million people in this metropolitan area born outside of Canada, and there is nothing for English-as-a-second-language programs.

We are going to have 120,000 immigrants to Canada next year, more than half of them coming to this province and this metropolitan centre. What will the government do about housing? Where will it house them? What will it do about

jobs? The government has not addressed this issue. It had better start addressing it.

Talking about the environment and broken promises, the members will recall the promised \$30-million environment superfund, as it was called, to deal with toxic wastes. They will recall the pledge of \$100 million—\$20 million a year over five years—to clean up Metro's pollution problems. There is a beautiful beach in the west end, Sunnyside, with serious pollution problems. The sewage treatment plant is located right next to our riding. There are serious problems.

What is this government doing about it? It was so easy to criticize when they were on this side. Where is the influence of my friend, who backed them all the time? Where is his impact and clout today? He is trying to have his cake and eat it at the same time. It does not work.

Some members have asked me for 10 or 15 minutes. That gives me about 30 more minutes. I will try to be brief for the sake of those whose patience is being tested by words of wisdom from a humble member of the opposition, not a front-bencher or second-bencher. We listened to them when they criticized. All we ask is the same type of respect and patience. They should listen. There may be some wisdom in these words.

It was \$73 million to clean up the environment, for beach protection, sewage improvements, acid gas emission controls, cleanup of the Great Lakes. Everything has suddenly evaporated, gone, zero, zilch.

Where is the money for new day care centres? The members are all aware of the statements that have been made in the media. There no doubt is an increase in subsidized spaces, but the problem was indicated by Larry Katz, the Ontario executive member of the Canadian Day Care Advocacy Association. He said:

"This budget does not create new spaces for the tens of thousands of average-income families in need of child care support. It does not lower the exorbitant fees now charged to unsubsidized parents and does absolutely nothing to increase the inadequate salaries now paid child care workers."

Do the members realize that a child care worker is paid 40 per cent of the salary we pay zookeepers today? We are paying double the salary to take care of animals. That is not addressed in any way by this budget. There will be subsidized spaces. Where will the government put these children when there is no capital to build new day care facilities?

I would like to continue by saying that promises to the people have no doubt been

broken. In major areas such as housing there is mass confusion. The Minister of Housing is here. He will not comment. I sympathize with a very serious dilemma, but we still do not see a housing policy. We were lobbied today by the Federation of Metro Tenants' Associations. Where is that available rental housing today? Where is that stock of housing when today major construction companies, major contractors and major builders are saying publicly, "Even if you create a program, we will not be part and parcel of it any more."

Mr. Mancini: The member wants us to abolish rent review. We get the message.

Mr. Shymko: The member should not put words into my mouth. There is no housing policy.

5:20 p.m.

Mr. Epp: Why does the member not comment on the need that was created by 42 years of Tory rule?

Mr. Shymko: I am getting advice from an honourable member whom I would have loved to have seen in cabinet. It is so unfortunate that the member for Waterloo North, with the wisdom of his approach, is being ignored by the Premier and not put in cabinet to provide some guidance. I say to him, do not counsel me in this House; counsel your own leader. Why are you not in cabinet? I would love to see you in cabinet because I admire your wisdom.

The Deputy Speaker: Would the member address his remarks to the chair, please?

Mr. Shymko: Yes, but I do not need interruptions from those who try to counsel me on the remarks I should be making.

I admire the member for Kent-Elgin (Mr. McGuigan) and many other honourable members. The member for Kent-Elgin has sat on so many committees and we have shared the input he has made in the social development area. He knows very well the concerns we heard about day care as we travelled throughout this province. Time and time again we heard pleas for more space. Where is that capital in this budget? I am talking about capital, not about operating subsidized spaces, because today a nonsubsidized parent is paying \$95 a week for a child in a day care centre. It is the middle-income group of parents who are not assisted in any way.

Where is the promised child tax credit? I do not have the figure, but I recall the Liberal pledge to increase the child tax credit from \$2,000 to \$4,000 or \$5,000. The member remembers it. It was a Liberal platform on which he ran with his

leader. Why is there nothing in this budget? Ask the Treasurer.

I would like to continue by referring to other areas of concern. Women's issues have not been addressed. Day care has not been addressed.

There is a four per cent increase in social assistance despite the fact that the Liberal Party criticized Frank Drea, the then Minister of Community and Social Services, for his 4.5 per cent increase. Members recall the reaction from this side of the House to a 4.5 per cent increase when the Liberals were the official opposition. One would think they would have learned something from their own criticism. Their increase is less; it is four per cent at a time when the inflation rate is almost five per cent.

I could read a number of articles. I could refer honourable members to Rosemary Speirs's article, but I will save their time by not reading it. There are so many excellent reviews of what is lacking in this budget.

Je voudrais enfin, comme président de notre section ontarienne de l'Association internationale des parlementaires de langue française, dire quelques mots en français. Malheureusement, du fait que je parle français, mes chers collègues ne comprennent absolument rien. Ils ne comprennent rien, du fait qu'il n'y a pas de traduction simultanée. Malgré le fait que j'ai le droit de parler français comme une des langues officielles, malheureusement, on n'aura même pas de traduction en anglais dans le Hansard. Alors, à l'exception de quatre ou cinq députés du côté du gouvernement et peut-être quatre ou cinq du côté de l'opposition, le reste ne comprennent absolument rien de ce que je veux dire et ils n'auront pas de traduction dans le Hansard.

C'est pour cette raison que je voudrais voir disparaître cette absurdité de la philosophie de l'existentialisme d'Albert Camus, qui a dit que le seul sens, c'est qu'il n'y a pas de sens. Et le voilà. On parle en français, et la majorité des députés ne comprennent absolument rien. C'est pour cela qu'on a besoin d'une traduction simultanée, au moins pour traduire ce que je dis oralement, si pas dans le Hansard. Si cela coûte trop cher, il faut au moins traduire cela.

Le trésorier avait dit, dans la préface qu'il a faite dans le document intitulé *La Réforme du processus budgétaire*, qu'il invitait le public à faire des commentaires sur ce document et que c'était avec le plus grand plaisir qu'il accueillerait de nouvelles idées et des commentaires.

Très bien. J'espère que le trésorier acceptera mes commentaires avec grand plaisir parce que je dis franchement que j'ai un vrai plaisir de

participer à ce débat et de conseiller aux députés de la part de quelqu'un qui comprend ce que c'est que d'être de l'autre côté—pas comme membre du Cabinet mais comme quelqu'un qui voyait la frustration de ce que c'est que d'être du côté du gouvernement.

Je voudrais rappeler à mes chers collègues du tiers parti que ce sont eux qui soutenaient ce budget, ce sont eux qui donnaient l'ampleur aux problèmes, aux programmes néfastes qui vont avoir un impact négatif sur les citoyens de cette province.

Je me rappelle le cher ministre, le député d'Ottawa Est (M. Grandmaître), qui s'est adressé à un symposium des droits des Franco-Ontariens qui fut organisé il y a quelques jours par 500 déléguées des Franco-Ontariennes. L'honorable ministre, à cette question d'enchâsser plus de droits des Franco-Ontariens dans la Constitution canadienne, avait répondu: Cela s'en vient. On ne peut rien faire, mais cela s'en vient.

Cela s'en vient. Voilà sa réponse aux besoins immédiats d'enlever la peine, d'enlever le fardeau des citoyens, d'enlever le fardeau des travailleurs et des travailleuses de cette province immédiatement. Sa réponse, comme l'a dit le cher ministre: Cela s'en vient. Je veux voir quelque chose qui va venir immédiatement, mais cela s'en vient.

Interjections.

M. Shymko: Je ne ferai pas de commentaire afin de ne pas donner trop d'ampleur à l'amitié dont nous jouissons.

Dans le secteur des transferts aux municipalités de cette province, nous voyons que la présidente de l'Association des municipalités de l'Ontario, le maire de Kanata, Mme Wilkinson, vient de dire que l'augmentation générale des paiements de transfert aux municipalités de 4.2 pour cent en 1986-87 et d'au moins quatre pour cent en 1987-88, cela n'est pas suffisant, dit-elle, pour permettre aux municipalités de faire face à leurs obligations, et plusieurs, dit-elle, devront augmenter leurs taxes—augmentations de taxes par le gouvernement provincial, augmentations de taxes par les gouvernements municipaux parce qu'ils n'ont pas assez d'argent de transfert. Qu'est-ce que le gouvernement va faire avec tout cet argent?

For the sake of those members who do not understand what I have just said—and that is the irony:

The standing orders of this great Legislature provide us with the opportunity and the right to speak both official languages, a right we all cherish. But what is the point of exercising the

right of speaking French when 98 per cent of the honourable members do not understand what I have said?

Not only that, but when my remarks are printed in Hansard they are again in French, and the members will not even understand them when they read them. What absurdity to provide members with a right whose exercise is not conducive to communication. The best eloquence I can use in French—and I try hard—draws blank faces. There is no reaction, because the members do not understand. This is why I ask, in the future, if they give us a right we hesitate to use because it is not practical, why give it in the first place?

5:30 p.m.

I hope that in your wisdom, Mr. Speaker, in the wisdom of your office and your understanding of our concerns, there will be at least simultaneous translation so my colleagues can understand me. I am not talking about translations in Hansard. If that is too costly, which may be the criterion in translating all the bills and all the legislative orders of the day, etc., at least translate my oral comments so my honourable colleagues can understand.

If we are going to pay millions of dollars to set up cameras, which I believe has been agreed to and passed by the committee—I have heard ridiculous figures of \$9 million to \$10 million to have cameras here—what good is it for our members who have a high percentage of francophones in their ridings, if the cameras are focused on them and they are asked to and tempted to speak French, which they will try to do more and more because their francophone constituents want to hear them, when their colleagues will not understand a word? That is part and parcel of something.

Let us eliminate this existentialist absurdity. I quote Albert Camus, the famous existentialist, who said the only sense in life is that it does not make sense. That is the only sense of this existentialist budget. Even the great French philosopher Camus would tremble in his grave to see a budget whose only sense is the sense that it does not make any sense: Le sens du non-sens. Le sens de l'absurdité totale.

The only rationale I can see—and I have tried to see one; we have all tried—comes when I recall the initial comments of the member for Dufferin-Simcoe (Mr. McCague). He comes to the conclusion that what he sees is an interesting development, perhaps a budget that is the first attempt to establish a semblance of credibility. I quote his words: "If there is anything that is taxed

in this budget, it is your credibility as a government. That is what is being taxed, your credibility."

This may not be an election budget. There will be another budget in the spring of next year, but once they have destroyed their credibility with their first budget, re-establishing it will not work. They break \$650 million of promises and they think they will have credibility in their second budget. Their so-called election budget will probably promise everything under the sky, projects galore—not just \$650 million; we will see billions of dollars in promises, sky high. The third party will be faced with deciding how long it can continue to prop up a collapsing Liberal regime.

With that I conclude my remarks, giving the next honourable member, the member for Hamilton East (Mr. Mackenzie), not the 10 minutes he requested but, with the well-known generosity of Progressive Conservative members, 25 minutes.

Mr. Mackenzie: I am sorely tempted, but I am going to stay away from it. After all, I have been here for only a little better than 10 years, and we have had Tory government for 42 years.

I have waited anxiously for something a little more progressive in each of the budgets that have been presented while I have been in this House and I have not found it. When the member castigates this government and this party for its support of this government for the time being, I cannot help but wonder why he does not tell us a little bit about some of the things they were famous for. I am still trying to find out, for example, how Mr. Foley got those under-the-table payments, deferred bonuses and so on, at the same time we in this House had the bitter debate over restricting workers' wages that he was waxing so eloquently about earlier.

However, I want to go through half a dozen points with the Treasurer. I congratulate him on changing the process a little. However little the change may be, it is the first time in the years I have been in this House that we are having debate before some of the measures take place. There are some very minor changes with respect to a more progressive tax balance in this province. I hope it is not something cosmetic for this budget alone and that we will see a real move in the next one; but I have to say it was a pleasant surprise.

I want to remind the Treasurer that 1,128 Canadians with incomes of more than \$100,000—a good chunk of them in Ontario—did not pay a cent in taxes in 1983. Also, 6,662 Canadians—once again a good chunk of them in Ontario—

made more than \$50,000 and paid no taxes in 1983. I am not at all sure we have begun to correct the imbalances in our tax system, but it is a move in the right direction.

There is a lot of room for the Treasurer to move in. I looked at the shares of the revenue pie and noticed that corporation taxes are 10 per cent. I acknowledge that is an increase over what it was for the previous year, but I remind the Treasurer it was only 20 years ago that the corporation tax base was better than 25 per cent of the revenue in this province. We have seen one hell of a drop with respect to what business in this province is paying, and although I recognize it is not all the province's fault, we still see benefits, bonuses and concessions given to the business community.

I want to make one or two suggestions to the Treasurer. We are having some meetings with business people in Hamilton, trying to come up with something that may put a little life into the regeneration of jobs and industry in our city. One of the things that surprised me in meeting with both small and large business in Hamilton was that there was not much respect for the old job creation programs and the variety of different ones; so a move to a single umbrella is useful. One suggestion was about interest rates, which at the moment are a little more favourable, and knowing exactly where they were going and what the tax structure was going to be for a period of time would be of more assistance to business than almost anything else we could do.

I suggest to the Treasurer that it is perhaps time we took a look at the business area, because then we could get a fairer assessment. In many cases, they are not paying their fair share of taxes, but a tax structure could be set up that would bring us a little more income. With respect to the business community, why not set up a structure on the basis of two or three years and let them know where they are going so they can do their planning accordingly? There is some merit in such a suggestion that would resolve some of their problems.

5:40 p.m.

Another suggestion I have to make comes to some extent out of the recent free trade hearings we have had in the select committee on economic affairs, but it relates to something this party has been concerned with for a long time; that is, exactly where we are going in this province and this country of ours. Why not take some time to take a serious look at what we want in the way of an industrial strategy? I say that because it is almost impossible to put in place retraining

programs for young people, to decide where the jobs are, and to decide where we want to spend the kind of largess we have every once in a while for the business community without knowing exactly what we want to retain or maintain in this province in the way of industry and what we want to do for the future of our resource sector.

It is hard to train young people for jobs when the best experts in the field tell us they really do not know what they will be working at or what the future of work is. I am not sure there is a big percentage in training people for the jobs at Wendy's and McDonald's that have kept us afloat over the past period of time. We have to know where we are heading. It is obvious that the demographics alone and the rising older population tell us some of our efforts and some of our retraining has to be in the area of services to people.

It seems to me we should decide whether we want a viable aircraft industry. We should decide what we want to do in terms of automobiles and what merits there are in looking at whether it makes any sense for the Urban Transportation Development Corp. to tie in with Bombardier, whether there is a rationalization that might be in the public interest. I do not know. My concern is that we are doing nothing in this province to get a handle on exactly what we want to do in the future. That is a major factor in deciding what jobs we need to train people for.

I will not spend a lot of time on this. I mentioned it briefly when we were dealing with the supplementary estimates. We have not done anything as yet in pension reform. It is absolutely essential that we decide what we are going to do. I cannot for the life of me understand the delay in dealing with reforms to private pension schemes.

Hon. Mr. Nixon: It is all set to go.

Mr. Mackenzie: Then the Treasurer should let us see it. Let us see whether the Treasurer can show a little initiative and tie some form of option, if necessary, for earlier retirement for workers into the reforms needed in the private sector. I suspect the payoff in positions opened up would be well worth whatever money might be needed up front in terms of bridging and earlier retirement.

It seems to me that is an area which ties into looking seriously at the future of work, and it ties into looking seriously at some kind of industrial strategy. I was amazed at the hearings on the economy and free trade that people on both sides of the issue, the proponents and opponents of comprehensive trade talks, came down on the side of the need for an industrial strategy. One of

the big shortcomings in this province is that nobody seems to be taking a serious look at that.

As well, we should be taking a look at the hours of work. I do not know why we are not taking a serious look in this province at vacations as a job-provider. I noticed an interesting little piece recently. I do not have the details in front of me. They are talking now in Japan about adding 10 additional holidays for every worker in the country. They are doing it on the basis of stimulating the domestic economy through more free time and more buying power as well as more job creation.

My information is they are already ahead of us in the vacation arrangements we have. We have two weeks' vacation with pay in this province and that is it. Sweden today has six weeks' vacation with pay after two years' service. Many countries are way ahead of us. Why are we not taking a serious look at lowering the hours of work in this province and at how much incentive is there in terms of domestic purchasing power if people have additional time off, especially if they have jobs?

We also have some serious problems in the area of coverage. I am talking now about the most basic standards under the Employment Standards Act. It seems to me we have not yet moved even halfway in terms of domestics. I do not know whether the Treasurer gets the little daily problems I do. Lately there have been a lot of people working in the landscaping field and a number of other industries such as that who point out very strongly that they are not covered under the Employment Standards Act for hours and vacations. There are some loopholes that are long overdue for change.

We have some problems in human rights in this province. I am not going to go into detail about them, but this government should be aware that what used to be a six-month period for dealing with various human rights complaints is now a year and in some cases a year and a half. I know of cases that have taken almost two years and where we are still waiting for decisions. Unfortunately, that is also happening with the Ontario Labour Relations Board.

One thing that concerns me is that we are seeing almost a legalization of these procedures. The lawyers are getting more involved. The delays are longer than we have had for a number of years in the province. There is a real need to take a look at that. I am not sure it is just staff, although that may be a part of it, but it seems to me this government had better come to grips with the structure, both in the Ontario Human Rights

Commission and in the Ontario Labour Relations Board.

Another thing worth taking a look at is the whole question of deregulation in the province. I dealt with some of the things that have happened in the trucking industry in the United States through information that came before the select committee on economic affairs when it was looking at free trade. However, there is a move towards deregulation in this province that bothers me. I think it is a dangerous move, and I hope the Treasurer and his government are not going to be stampeded into making moves in various sectors that mean deregulation. The people who get hurt there are the workers, and safety and health standards, in almost every case.

If there is a disappointment in this budget, it is the four per cent social assistance ceiling and the help for the elderly. There is some money there, but if I have learned anything in my constituency office over the past few years, it is that the government is not doing anybody a favour when it helps a person into a nursing home. I understand there are cases where that is necessary, but the government is doing a lot more of a favour to older people if it is able to find the home support and in-home services that keep them there, with friends or family, or even on their own, much longer than some people now are able to.

It seems to me, with the growing older population in the province, this is an area that is going to need an awful lot more attention than we have given it up until now. I hope it is an area this government is prepared to move in and that it will recognize, both in help for the elderly and in the social assistance payments, that it was not very generous in that area.

Hon. Mr. Nixon: What about the \$11 million for warm coats and boots?

Mr. Mackenzie: That is a welcome step, but it is not the answer. I think the Treasurer knows that.

We seem to have an ability to spend money on some major projects and to forget some of the minor projects. I am speaking now of a position I have held for a long time in opposition to a freeway down the Red Hill Creek in my community. I am talking about the decision, which I will be writing to the Premier about and appealing to cabinet.

The Red Hill Creek freeway raises two or three questions over and above the heat of argument on either side of the need for that expressway. The questions it raises is whether it is worth destroying that valley, which most people accept

has been destroyed from Lawrence Road to the lake. Major damage certainly has been done to the valley north of Lawrence Road. I wonder whether it makes sense to put better than \$200 million into that kind of expressway when one of the arguments that were originally given for its need, the population growth, has been totally discredited at the hearings. The second argument, that it is needed to attract industry to a city like Hamilton is valid, but of course that is using the old argument that can be very emotional, to appeal to people that it is needed for jobs.

It seems to me that when one takes a look at what it is servicing—it goes down a valley which it will destroy and it is hemmed in by major housing projects for the total length of the valley, so there is no spinoff effect that one sometimes gets from industrial corridors or even such as one will see along the Queen Elizabeth Way from here to Hamilton—there is no advantage that way at all. It is to service the Mountain Industrial Park. Surely this government understands that the Mountain Industrial Park in Hamilton is already under fire from citizens who live around it and that planners in the city of Hamilton, some of whom supported the freeway and others who have not, admit it is probably in the wrong place and is probably not going to see any major growth.

5:50 p.m.

We are going to put \$200 million into a freeway that destroys the last major greenbelt in the east end of Hamilton and where the real ability of industry to locate and the really desirable location is the north-end industrial sector of my city, the city of Hamilton.

I would advise some government members and members of the cabinet who may have some input into the decision on this project to drive down Sherman or Wentworth or some of the streets in the north end of my riding and take a look at the large numbers of boarded-up, dead factories in the industrial sector. Surely to goodness, when the transportation corridors are already in the north end and when that is where they have done a lot of work and where we have now got the twinning of the skyway, that is the sector for industry in the city of Hamilton.

When it was raised, it was recognized at the hearings we have had with industry people as well. It makes no sense to me. If we have a problem, it is finding out who has got a hold on that land, because it is extremely valuable, and getting that opened up again for the development of industry. Most industries, if they could get in, would move there or operate there or operate out

of that north end from the tremendous number of old industries that have shut down over the last number of years, factories that are boarded up in that area. It makes no sense to put \$200 million of the taxpayers' money into this expressway and destroy a beautiful valley at the same time.

It is very hard to understand the rationale of some of the arguments. It is hard to understand a number of things. I do not know whether these figures are totally accurate or not, but I suspect they are not too far out. There was a major piece in the *Hamilton Spectator* of Thursday, October 31, which I am sure some members have seen. They are talking about permanent job creation. While this is one hell of a lot bigger, it is in the same category as the kind of money we want to spend on a destructive expressway that really does not make sense and will not produce jobs in our community—and I say that categorically. It is the fact we are also spending a fortune each and every year on something such as Darlington.

I thought this article was interesting. Lawrence Solomon was the reporter who wrote the article. They provide a little chart on the bottom of the numbers of people working there. There are 5,000 or 6,000 and there are another 3,000 or 4,000 who are involved in some of the supplies immediately, but those are jobs that are not long-term jobs.

They talk about one Darlington plant, value \$12 billion. I suspect it is not even going to come in at \$12 billion by the time we are finished, and it will provide 750 permanent, ongoing jobs. They talk about one Bell Canada, value \$12 billion, and they talk about 57,000 jobs. They talk about four General Motors of Canada, that is what \$12 billion amounts to, and they talk about 176,000 jobs. There are a number of examples where we can make the same kinds of comparisons.

What rationale, what sense does it make to put the kind of money we are putting into Darlington, \$12 billion, for a payout of 750 permanent jobs? To me, it makes no sense whatsoever and it does not take any mathematician to do a little figuring to tell the kinds of projects we could get into with that money that would produce jobs at a heck of a lot larger rate than we are producing here. I submit it is the same principle as the argument over whether or not we are going to waste \$200 million on the Red Hill Creek expressway.

I want to deal also with one or two other things that are bothering me a bit. We do have a serious need—and I suspect it is right across the province but I can only give the figures for Hamilton—in that there are a number of people who fall

through the safety network or the services that we provide to people who are less fortunate than ourselves. Among those are ex-psychiatric patients.

I have been to a couple of events recently. I was down at a picnic that Jimmy Lomax, our famous Santa Claus, gave for about 125 or 130 ex-psychiatric patients in our city just a few short weeks ago. I found that for many of them, it was one of only two social events they would attend all year. When I talked to these people, and I think I met with every single person who was at that backyard party, I found that one would not know many of them had a problem; with others the problem was obvious. I started to talk to them about what they were doing and where they were staying. I talked to some of the workers and I found we actually had almost 1,800 people in this category in the city of Hamilton.

We had fewer than 200 in the Hamilton Psychiatric Hospital 24-hour program where there was really some direction, some control and effort made to really assist these people. These are people who, in most cases, are going to be needing assistance and medication all their lives. There were 560 of them in licensed homes where they were getting some form of 24-hour supervision, but there were 800 or 900 of them in unlicensed homes, some of whom are kicked out first thing in the morning. The meals they get are watered down and they spend the day wandering on the streets and come back in at night for help. Then we wonder why the re-entry rate into the psychiatric institutions is extremely high.

It also showed a number of things that bothered me a bit. Most of these people, after they have made their payment for their centre, whether it is a licensed or a private one where there is not the control and they do not look after these people, end up with about \$73 in comfort money or spending money. Very few of them are in a position to work. I understand probably only 10 or 15 per cent of them have any chance of getting totally out of the system.

A phenomenon among these people is that a large number of them—the workers tell me it is a majority—spend about \$60 of their \$73 comfort allowance on cigarettes. That tells us a number of things. It is probably the only thing they have in their lives. That in itself is pretty devastating. It tells us they have \$12 or \$13 left as a personal allowance to spend on everything else. It tells me we are not taking a look at something a little better in the way of control. At least the unlicensed beds have to be changed into supervised beds, and we have to see if there are not

procedures available that will give us a little higher rate of people who can get back into the system.

When we have this kind of problem with these people in my city alone, we have to wonder where our priorities are and where the civility in our society is that we can have people living out their lives with the problems they already have in this kind of situation. It is a sad commentary on the kind of government and priorities we have established in this country.

I want to remind or make the Treasurer aware of a number of things that need to be done. We are long overdue for a steel labour institute in Hamilton; at least some people are beginning to talk about it. It would not be a major employer, but it would be a bit bigger than some of the small businesses. With the record and history of the steel industry and the record of the labour movement in Hamilton, we are long overdue to take a serious look at a steel labour institute in Hamilton, which could capture some of our history and arrange for people to see what went on at the steel mills—people still love to see them—and the workers who developed some of our stronger industrial unions.

I also want the Treasurer to know other major efforts are being made in Hamilton. One of them is a job on the Hamilton waterfront. After some nervous gyrations, it seems our local council is back on side with a heavy majority in terms of the development of a major waterfront park. It will be a people place with some small, light industry. It will open up and help clean up some of the Hamilton harbour, which used to be a place of beauty.

It is one of the central things needed when trying to change, redevelop and produce a bit of a renaissance in a heavy-industry town like Hamilton. It would tie in nicely with the decision to stop the paving of what is a beautiful creek

valley, the Red Hill Creek valley. That project will cost something like \$30 million to \$32 million. I am not sure where the funds in that project will come from.

The potential for jobs and for the quality of life and pride which can be brought back to a community like Hamilton is large. I know members outside of Toronto are always concerned about where the dollars seem to be flowing. They seem to flow to all kinds of projects in this city. The only cities I know which have done any major work on their waterfronts are Sarnia and Kingston.

Until now, I have not taken the trouble to look into the funding and financing of those major projects. I can see the kind of renaissance that would be possible in Hamilton with the major development on the waterfront. Because it could be one of the better payoffs for jobs and a quality-of-life future in our city, I hope when the plans are in that this province is going to be ready to give serious consideration to the development of the harbourfront properties in Hamilton.

I hope the Treasurer will take a look at all the things I have raised that are important to me. There are a couple of others I would have liked to raise. One of them is the government's move on beer and wine in the corner stores. I want to say on the record now that I think they are wrong in making that move, but I would hope that is something they will reconsider. I hope they will take a look at developing an industrial strategy so we know what we are training people for, we know what we want to save in terms of unique Canadian industry and jobs and resources and that this will allow us to produce a much better, much more progressive budget in the future.

On motion by Hon. Mr. Nixon, the debate was adjourned.

The House adjourned at 6 p.m.

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Morin, G. E., Deputy Chairman and Acting Speaker (Carleton East L)
Munro, Hon. L. O., Minister of Citizenship and Culture (Hamilton Centre L)
Nixon, Hon. R. F., Treasurer of Ontario and Minister of Economics and Minister of Revenue (Brant-Oxford-Norfolk L)
Peterson, Hon. D. R., Premier and President of the Council and Minister of Intergovernmental Affairs (London Centre L)
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Treleaven, R. L., Deputy Speaker and Chairman (Oxford PC)
Warner, D. W. (Scarborough-Ellesmere NDP)
Wildman, B. (Algoma NDP)





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Legislative Assembly of Ontario

First Session, 33rd Parliament

Tuesday, November 5, 1985

Afternoon Sitting

Speaker: Honourable H. A. Edighoffer

Clerk of the House: R. G. Lewis, QC




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LEGISLATIVE ASSEMBLY OF ONTARIO

Tuesday, November 5, 1985

The House met at 2 p.m.

Prayers.

VISITOR

Mr. Speaker: I would ask all members of the Legislative Assembly to join me in welcoming in the Speaker's gallery today His Excellency Sheikh Humaid bin Ahmed al-Moualla, a distinguished visitor from the United Arab Emirates.

His Excellency is the Minister of Planning and chairman of the National Computer Centre, and he and his party are looking into computer and communications development in Ontario.

Please join me in welcoming His Excellency.

STATEMENTS BY THE MINISTRY

SUMMER WAGES

Hon. Mr. Kerrio: I would like to respond to questions raised by the member for Fort William (Mr. Hennessy) and the member for Sault Ste. Marie (Mr. Morin-Strom) on October 24 regarding my ministry's tree-planting contracts and unpaid wages associated with these contracts.

Because the issue falls within the mandate of the Ministry of Labour, I have have had discussions with my colleague the Minister of Labour (Mr. Wrye). As members know, there is already in place a process within the Ministry of Labour that provides assistance to employees in collecting wages due to them.

In 1985, there were about 90 private planting contractors doing business in Ontario. To our knowledge, only six specific contractors—a very small percentage—have had complaints lodged against them.

The employment standards branch of the Ministry of Labour has looked into all complaints and has had a good degree of success in obtaining wage arrears upon completion of its investigations. In September, more than \$14,000 was collected by the Ministry of Labour for 11 tree-planting employees of one company, and orders were issued in October to two other companies to pay more than \$3,000 owed to employees.

While the percentage of contractors against whom complaints were lodged is small, the government is very concerned about the prob-

lem. I ask the members to recognize that contract tree-planting is a relatively new industry. There are still some wrinkles to iron out.

Under the Construction Lien Act, the Ministry of Natural Resources currently withholds 10 per cent of the tendered price of a contract for 45 days for cases such as the ones referred to by the two honourable members. We recognize this amount does not cover the total wage component of a tree-planting contract. We want a system that goes further.

I would like to outline what my ministry will be doing to avoid a repeat of what has happened this year. I have ordered ministry managers to ensure that all tender packages for the 1986 planting season contain certain conditions. One condition will be that before final awarding of contracts, each successful contractor must agree to provide all employees with information about the rights and responsibilities of both the contractor and the employees. This is in addition to information outlining health and safety regulations.

In addition, no contract will be awarded unless contractors attend one of a series of regional workshops scheduled to be held this winter. These workshops will ensure that contractors are fully aware of pertinent legislation and regulations as well as the rights and responsibilities of contractors and their employees in the areas of health and labour standards.

The ministry is also taking steps to ensure that it engages contractors who have high standards and good performance records. We are working on ways of improving standardization and efficiency of tree-planting across the province.

We are also looking into possible initiatives such as prebonding of contractors. While this is a possibility, it also poses certain problems that we have to consider. Many contractors who are starting out do not have the funds to become bonded but have excellent records as tree-planters, businessmen and employers.

We want to avoid unfairly ruling out people such as these who are trying to establish themselves but who do not yet have the resources to become bonded. That is why we are also considering establishing prequalification and disqualification criteria, which could be intro-

duced before the 1987 planting season. These criteria would allow the Ministry of Natural Resources to judge potential contractors and disqualify unsatisfactory contractors who have done work for us in the past.

There are a number of ways of ensuring that we attract good contractors and that the people whom they employ are treated fairly and work in proper health and safety conditions. The government is determined to establish a system that will achieve all these objectives and put this new growth industry firmly on its feet.

ORAL QUESTIONS

Mr. F. S. Miller: It is a bit tough to ask questions with the front bench holding all of two ministers out of the whole group this afternoon. Even the second row is only mildly represented.

Hon. Mr. Nixon: More are coming.

Mr. F. S. Miller: More are coming. I would like to stand down my first question until the Premier (Mr. Peterson) arrives. I understand he is coming shortly.

TAX INCREASES

Mr. F. S. Miller: I will address my second question to the Treasurer. I am sure he will agree that he has a double responsibility in designing a budget; one is to raise the moneys the province needs, and the other is to improve the economy of the province by creating jobs and investment. I am sure too that he found every tax measure has a countereffect in stimulation of the economy: it costs jobs. For example, a few years back we pointed out that every \$1 increase in the price of oil costs 5,000 jobs in this province.

I want to know what formula the Treasurer used to measure the tax costs in this latest budget, the jobs his tax measures eliminated. Will he tell us what facts he was given?

2:10 p.m.

Hon. Mr. Nixon: I know the Leader of the Opposition is extremely serious about his question, and I am serious about the answer. I say that first because I believe this is the fourth time the question has been asked. It also means, I think, that the honourable member and his colleagues have not listened to the answer.

It concerns me to say this, but if tax increases are directed entirely towards reducing the net cash requirements, then there is a direct cost in jobs. Our tax increases are directed towards the payment of expanding programs, many of which the former Treasurer himself initiated, and new programs that are a part of the new administration.

I say to the honourable member, as clearly as it was put to me by the same Treasury officials who formerly advised him, there is not a cost in jobs when the tax increases are directed towards programs, which I believe—I do not want to quote them on this—are stimulative.

We are aware that the rate of growth next year is going to be less than it is this year. The Leader of the Opposition, who is a fair man, will realize that all the projections from the Conference Board of Canada and other independent sources have indicated the rate of growth is going to be slower across Canada. They have blamed that on the lower rate of growth in the United States and the removal of consumer dollars as a result of the federal budget in May. The most recent report by the Conference Board of Canada—issued today and in today's press, after the provincial budget—still directs any blame at the federal budget.

In response to the question now asked for the fourth or fifth time, the tax increases do not have a cost in jobs because the revenues are directed towards strengthening old programs and paying for new programs. I wish we could have reduced the cash requirement, but we made other decisions, keeping the cash requirement just minimally smaller than it was last year.

Mr. F. S. Miller: With great respect to the Treasurer, that is the first time he has come close to beginning to answer that question. I am intrigued that he believes removal of federal tax dollars hurts spending but removal of provincial tax dollars does not. That gives his tax dollars a very special place in this province.

The Treasurer has admitted in his answer that the growth will be down next year. He has admitted that the taxes are up. His cash requirements are up by \$500 million, no matter how he cuts it. To what extent are his taxes slowing down that predicted growth, that growth he just repeated, next year?

Hon. Mr. Nixon: I will simply say again that tax increases in the budget of October 24 are not slowing growth; we believe they have a stimulative effect on the economy. If the Leader of the Opposition does not agree, that is his right; it may even be his responsibility.

We are applying these new tax dollars to new programs for employment opportunities for people under the age of 24 and others, to new programs in agriculture—two of which have been announced, and I believe there are more in the offing—and to a housing program with its concomitant jobs. These are matters which we consider to be stimulative and necessary in the best interests of the growth of Ontario.

Mr. F. S. Miller: The point is becoming clearer. The Treasurer has access to those figures. He has chosen to say that the route he took creates jobs. The Treasurer should give us the figures and back them up, not just talk in the House.

Hon. Mr. Nixon: The increase in jobs will be 108,000 next year in general, with an additional 30,000 because of our home-building initiatives. These are precisely the numbers I put before the House on the last three days when this question was asked.

ACCESS TO MINISTERS

Mr. F. S. Miller: If I can, I now want to address to the Premier the question I was going to address earlier. In the past few days, the Premier has understandably been a bit touchy, particularly with the press, about the Liberal Economic Advisory Forum. I would like to look at the quote.

The Premier told reporters the other day in the hallway that he would not end the practice because "that would make it seem there was something wrong with it." There is something wrong with it. Why will he not acknowledge it and end it now?

Hon. Mr. Peterson: I have answered this question many times before. No one has special influence in this party. How many times do I have to tell the member that?

Mr. F. S. Miller: That indicates the Premier is worried about it. In fact, if there is no preferential treatment, and he has just said there is none, for this \$1,000 to belong to his outrageous club, will he please release the names of those who are in the club? Will he tell us who has made those donations so he can let the public and the Toronto Star judge?

Hon. Mr. Peterson: First of all, everything we do is open and aboveboard. There are no secrets about that. As a Tory, the member is far more exercised than anyone else. Perhaps he is carrying some lingering doubt about the way his party does things. Let me tell him that is not the way we do things in our party. He cannot get it through his thick head sometimes that we do things differently over here from the way he does now or used to do. That is his whole problem.

I can tell the member, this party raises money; it is all reportable and will continue to be reported—every donation, everything that is paid for leadership campaigns. There is no search for the loopholes in our party's financing to finance leadership campaigns using the Election Finances Reform Act.

Everything we do is open and aboveboard, and all those names will be published as they are under the rules. If the member does not like that, I cannot help him very much.

Mr. Rae: With respect to the specific LEAF program, I hope the Premier will agree what is different about LEAF is that it promises special access to people who contribute more than a certain amount of money to the Premier and cabinet ministers. That is precisely what it does.

I wonder if the Premier can tell us whether he or anyone in his office saw either the first LEAF letter or the second LEAF letter before they were sent to the potential contributors?

Hon. Mr. Peterson: I did not see either of them. My understanding is that people in my office did. As the member will recall the discussion in this House after the first one went out, I wanted to clear up any misperception. I said to members of the staff, "Make sure that people clearly understand why the party is raising money."

The letter says we are raising money to retire the deficit from the campaign and to finance ongoing party activities. That is clearly there, and only the most small-minded person could draw any other conclusion from that. It is very clear and open for all to see.

If the member would like to make a contribution, I would be delighted. He would be investing in good government, something they do not know very much about over there.

Mr. F. S. Miller: This government surely does things differently from the way our party does. Does the Premier not understand credibility, honesty and trust in the government are at stake? He tried to say he told Mr. Smith, then he reneged on it. His staff has had different stories. Does he not understand the confusion in the eyes of the public?

His letter to Donald J. Smith said:

"I want to hear what key Ontario business leaders have to say.

"In order to accomplish this, the Liberal Economic Advisory Forum must be an articulate group with limited membership." How limited? I wonder.

"On that basis, I think this is an excellent idea that we need to put in place as quickly as possible."

Yet the Premier had the nerve to say he had not talked to him; he did not know about it.

Mr. Gordon: Even a kindergarten child could see through that.

Hon. Mr. Peterson: I will not respond to that.

Interjections.

Mr. Speaker: Order.

Hon. Mr. Peterson: I can tell the Leader of the Opposition that if he continues to do his research out of the newspaper, he is very clearly wrong again in terms of any special influence. That letter was sent out by Donald Smith and not by me. The party is one of the inputs into policy. The government is the one that is ultimately responsible. We listen to many groups across this province—business, labour—

Hon. Mr. Nixon: The opposition.

2:20 p.m.

Hon. Mr. Peterson: The opposition occasionally, if they have anything worth while to say. We are delighted to incorporate their ideas into good government.

Let me tell my friend, this situation allows no special access. I do not know how many times I have to tell him that. He can go on and rail as much as he likes; he can go on and criticize. He is entitled to do that; he is entitled to put his own perception of how things work in his own party on to our party, but I can tell him that is not the way our party operates.

Mr. Harris: Mr. Speaker, on a point of order: The Premier may want to correct the record. He stated the letter was sent out by Donald Smith. This is the letter to Donald Smith signed "Premier David Peterson."

Interjections.

Mr. Speaker: Order. That is not a point of order. I advise the member that he can get up on a point of order to correct what he said, but not to ask other people to correct what they have said.

ST. CLAIR RIVER

Mr. Rae: I have a question for the Minister of the Environment. The minister said in the House yesterday that it is his understanding there have been investigations by both police authorities and nonpolice authorities of a number of activities in and around the St. Clair River area and that those agencies would be from both sides of the border.

I do not think the minister can come into the House and make that kind of general statement without coming clean with the Legislature and telling us exactly what is going on. Can the minister tell us which police authorities are involved? Can he tell us precisely who is being investigated and, to his knowledge, what are they being investigated for?

Hon. Mr. Bradley: In the interests of the ongoing investigations, it would be inappropriate for me to reveal that at this time. I can tell the

honourable member about the investigations that are going on, however, because I think that is a legitimate question.

As I said yesterday, there are Canadian police authorities involved in these investigations. There are Ministry of the Environment investigations going on. I cannot say which police authorities are involved on the American side. I have read in the newspaper, as the member has, about which groups might be involved in investigations over there.

I can assure the member there are full and complete investigations going on of all activities related to the St. Clair River area over a number of years. I wish I could be more precise for the member.

Mr. Rae: I am not going to let it lie out there. The minister cannot let it hang out there.

Can the minister confirm that, among others, it is officials in his own ministry who are under investigation? Can he tell us whether the Ministry of the Environment itself is under investigation by the Ontario Provincial Police? Can he tell us the nature of that investigation and what charges are being explored against those people?

Hon. Mr. Bradley: The investigation involves individuals in both the public and private sectors. It is fair to say that, when we look at the St. Clair River area, it is very clear we are looking at the activities of the Ministry of the Environment and of others who have been involved in certain situations in that area over a period of time. I can assure the member that is the kind of investigation taking place. There has been considerable media speculation about it, and there is validity in that media speculation.

At the earliest opportunity, when investigations are complete, I would like to reveal the results of those investigations and whether any charges will be laid. That would be important. I would like to be more precise for the member today. Unfortunately, in the interest of the ongoing investigations, I cannot be more precise today, but at the very earliest opportunity I will try to be more precise in that regard.

Mr. Brandt: I want the minister to know I respect the need for confidentiality with respect to the investigation.

Interjections.

Mr. Brandt: What is all the chuckling about over there?

When the OPP are carrying out an investigation, there is a need for the minister to use that

information in a judicious and careful fashion, and I respect that.

I would like to ask the minister whether he will use his good offices to bring a conclusion to the investigation as soon as possible to remove the shroud of doubt and uncertainty that exists in that area relative to the public statements that have been made.

I am sure the minister can appreciate the fact that a very large percentage of innocent people are now under a cloud of uncertainty as a result of the investigations. As the local member and as critic for the Ministry of the Environment, I would like to see that matter cleared up as early as possible.

Hon. Mr. Bradley: That is a very fair assessment. I am attempting to have the investigation concluded and its results revealed as soon as possible. The honourable member will appreciate that we have been dealing with an ongoing problem, that a number of activities are being investigated and that the investigations have not been concluded at this time. However, it is important that a thorough investigation take place and that those results be provided at the very earliest opportunity to the members of this House.

Mr. Rae: The minister will know it was in August 1984 that this blob was first discovered by the Great Lakes Institute divers. When were the minister's officials first advised formally? When did they discover the existence of this chemical material? When was the minister first advised? Did he know about it in July? Did he know about it in August? Did he know about it in September? Did he know about it in October?

Why was it not until yesterday, November 4, that the minister made a statement to this House with respect to the presence of the blob and what it contained? Why did it take so long for the minister to inform us as to what he knew?

Hon. Mr. Bradley: If my memory is correct, we heard about the blob in September 1985. When we heard from Ministry of the Environment officials about the existence of the blob, of those oily puddles at the bottom of the river, I ordered more testing to take place.

The results of the testing were what I revealed yesterday. In fairness to the member, that was not a complete result, because I do not have the complete results. However, I knew he would want the nastiest materials in the House first—I think the members would want that—and that is why I provided that first.

The results of those tests were in my hands, personally, only yesterday. They were probably

in ministry hands on the weekend or perhaps as early as last Friday, but I had them yesterday. That is why it was brought forward at that time. That is my best recollection of having discovered it.

As I recall, an Environment Canada sampling was taken as well as an Ontario Ministry of the Environment sampling. I think it was September when I learned about it, but as soon as I did we immediately undertook activities to address the problem.

Mrs. Grier: I also have a question for the Minister of the Environment. I am sure the members of this House will agree that the problems identified in the St. Clair River potentially are extremely serious for far more communities than merely those fronting on the St. Clair River.

I am not reassured by the answers we are getting from the minister as to who knows what on this whole subject. He has just said that what he released yesterday were preliminary results of the testing. An hour after he released those results, his federal counterpart in Ottawa released results on 38 various components of the same sample that were in far greater detail in their analysis than those made available to this House.

Mr. Speaker: Question.

Mrs. Grier: Can the minister please explain why the federal results are more thorough and comprehensive than those that have been made available to us? Who is going to be in charge of the ongoing investigation and the ongoing determination that I hope he is demonstrating to clean up this problem?

2:30 p.m.

Hon. Mr. Bradley: Because of the activities I have undertaken as minister, I have ordered a lot of additional work done by the laboratory since I became the minister. It has had its capacity stretched to the limit. For instance, we brought down 175 fish from northern Ontario in the Rainy River situation as we wanted to ensure that was well tested.

There are a number of activities. I have increased the amount of work the lab has had, and as a result our lab has not moved as quickly as perhaps the federal lab has; but I want to get those results to the members of this House as soon as possible.

The reason I released it in half-form was the rather nasty substances I wanted to get before the House first. There are others for which there have been tests, and I will get them here at the earliest opportunity. The federal lab may have more

capacity and it may not have the same pressures I have placed on my lab at the Ministry of the Environment. As soon as we get those results, I will be happy to have them in the House for members.

Mrs. Grier: In addition, can the minister please tell this House who will be in charge of the examination? As we have heard the Sarnia office is under investigation, and perhaps because the capacity to do the testing is not there in our own labs in Toronto, can we have any confidence the investigation is going to be thorough? Who is going to be taking charge of it?

Hon. Mr. Bradley: I can assure the member the investigation will be extremely thorough. Is she talking about the investigation of the test results themselves in this case or of the other investigation that was referred to in the first question? I think she should clarify that.

Mr. Speaker: That may be in the final supplementary.

Hon. Mr. Bradley: If it is to be fair—

Mr. Speaker: Please go on very briefly.

Mrs. Grier: Who is in charge of the testing and who will be in charge of the task force the minister described yesterday?

Hon. Mr. Bradley: The Ministry of the Environment of Ontario will be in charge of the testing and it is centrally in charge. The deputy ministers here in Toronto will be in charge. The laboratory work, in effect, is done here.

I also should mention it is my understanding the Environment Canada results which were released were preliminary and the Ministry of the Environment of Ontario results were verified before they were released. One does some peer review when one does these tests; one goes through that protocol. I understand the federal results were preliminary and ours were verified. That is the information I have for the member.

Mr. Brandt: My understanding is that the so-called blob in the St. Clair River is a result of some contamination that may be as old as 20 or 30 years since the dumping took place, and that it is not a more recent blob that perhaps has occurred as a result of more recent activities.

Can the minister indicate, based on the information he has at hand at the moment, whether he has any indication whatever of any downstream contamination resulting either from that particular blob in the St. Clair River or from other contamination? Can he indicate whether any of the chemical companies that may be involved are currently exceeding the discharge orders issued by his ministry?

Hon. Mr. Bradley: First, in the interests of an ongoing investigation, I would want to ensure that I not tell the House if I know whether there has been a violation of provincial rules by certain companies. The member will know that when the charges are laid, if they are. I think that is important.

With regard to what has caused this blob or these globules down there, I have not ruled out a lot of possibilities. I have not ruled out that there might be ongoing spills, that the pressure wells that were used some years ago may well be bubbling up now underneath the river or the possibility that it is an historic problem from many years ago. It is important that I not rule out any of those and that all of them be investigated. I would not want to discount the first two in the interests of simply saying everything is all right today.

Mr. Hayes: There is a very strong concern because we are not getting the answers that are required about the quality of the drinking water the people upstream are consuming. We are concerned about its quality.

Will the minister assure this House that the monitoring of the drinking water will be done at least on a weekly basis for the communities upstream, for such things as hexachloroethane, benzene and perchloroethane, and the many other toxic substances that were detected in the study done by Environment Canada? Can the minister also assure us that the people who are going to be doing this monitoring are not the same people who have been in control of the environment in that area in the past?

Hon. Mr. Bradley: That is a very legitimate question. I can say to the honourable member, in the light of the most recent test results we have, that we are expanding our own capacity in the following way. Our lab is stretched to the limit at present; so we are going to augment our own laboratory by enlisting the services of at least two other outside laboratories to assist us in our general testing program.

For instance, we will divide up all the testing we have to have done and we will ensure then that it can be done. It will be done on a weekly basis—that is a very reasonable request—and it will be for the substances the member has mentioned. I can also say that the raw water and the drinking water will be tested, and it will be done at Wallaceburg, Sarnia, Walpole Island, Windsor and Amherstburg.

We will be looking at the tetradoxins. We will be looking for the worst kind, even though we have found no evidence of them. In fact, all 18

contaminants that were found in the oily material will be tested for, and it will be done on a weekly basis. It will cost a significant amount of money, but it is worth the investment to ensure the health of the people in that area.

ACCESS TO MINISTERS

Mr. F. S. Miller: I have another question for the Premier. We may seem a bit dense and we may seem a bit nitpicking on this side, but we are having trouble putting the facts and the statements together. I am talking, of course, about the Liberal Economic Advisory Forum. I want to go back to some of the letters that are now being disowned by people in the Premier's office.

The first one starts, "At the request of Premier Peterson, I have been asked to invite you to join...a select group of Ontario business leaders." It goes on to say, "Yes, Mr. Smith, I would like to join the Liberal Economic Advisory Forum and enter into a real dialogue with Premier Peterson.... Enclosed is my cheque for"—there is a space and then—" (minimum of \$1,000)."

We have a lot of people denying they knew what was in that letter, and yet it appears even the Premier's staff are worried he is denying it. Why have the Premier and his staff continually denied that he understood what Don Smith was outlining in his August letter? He obviously understood what was in it. He sent a memo to the effect that he agreed with it. Why does he deny it?

Hon. Mr. Peterson: My friend is in the process of trying to make some allegations. If he is going to make allegations, he had better stop being so fuzzy-headed and make precise allegations.

The facts have been outlined on many occasions. If the Leader of the Opposition knows precisely what he is accusing me of, he should stand up and say it in this House. Other than that, he had better be a little more precise about what he is doing. What is he accusing us of?

Mr. F. S. Miller: I am not the one who said I was going to change the practice in this province. I am not the one who said I was going to have open government. I am not the one who said all those things. The Premier is raising funds for his ministries, for his government and for his party, all on the assumption that somehow those letters imply that paying money gets one in to see ministers and therefore have influence. Is that not so?

Hon. Mr. Peterson: It clearly is not so. Do I have to teach the honourable member how to read as well as solve all his other problems? It clearly does not say that. If the member wants to make a

specific allegation, let him read it carefully, stand up in this House and make the allegation. He should not just fuzzify the whole thing. He should stand up and tell me what the problem is as he sees it.

He thinks there is a perception of buying influence. I can tell him that is wrong. The facts have come out very clearly along the way, and they are all there for everyone to see.

2:40 p.m.

ST. CLAIR RIVER

Mr. Rae: I have a question for the Minister of the Environment, who I see is being briefed by my colleague, the member for Sudbury East (Mr. Martel). I want to ask the minister specifically what happened in his ministry, because I do not think he has given us a report.

In August 1984, divers went down looking for clams. Instead of finding clams they found some black goop, a black blob, on the floor of the St. Clair River. It has been described by people as having a chemical smell. They brought it up. One of the scientists from Environment Canada has said, "If you touch that stuff directly, it would kill a mammal."

Those are the facts. This Legislature got a statement 15 months later with respect to that blob. I want to ask the minister why it took 15 months for that information to come to this House and be formally reported by the Minister of the Environment. Who suppressed the information?

Hon. Mr. Bradley: I am not aware of previous information that may have been available to another minister. In terms of my own information, which I have provided to the House, I have provided the results of the retesting that was done. Those results are what I revealed to the House yesterday. I think that is as clear as I can be. What I have brought to the members' attention are the results of the retesting that has taken place. I am not aware why a previous minister did not bring the 1984 blob results to their attention.

Mr. Rae: I think it is important for the House to recognize there are two issues. There is an issue of pollution, an issue of the poisoning of the environment. However, there is also an issue of suppression of information by those very officials and authorities, provincially and federally, who are supposed to be informing the public with respect to what is going on in our air and water.

Will the minister tell us when he is going to investigate and not simply give us sampling results, which we are all grateful for? When is he

going to tell us precisely who knew what, when, where and how? Why did it take 15 months for this information to come to the Legislature?

Hon. Mr. Bradley: As soon as I have that information for the member, I will certainly reveal it to him and to the House. As I indicated to the member, there is an ongoing investigation with regard to the St. Clair River area. I am personally reviewing the communications that are taking place within the Ministry of the Environment and those that have taken place in the past. When I have concluded that investigation, I will be happy to share the results with all members of this House. I think it is important that ministers have all necessary information provided to them as soon as possible. I am also saying it is important the public have that information as soon as possible.

Mr. Mancini: I want to congratulate the minister for making the information he received so readily available to the public. This problem affects part of the constituency I represent and I think it is important that we are able to inform on a continuing basis the community that may be affected.

May I ask the minister whether his staff could on a continuing basis have communications with the municipalities that may be affected and with the local news media so that they get a proper and continuous piece of information from the ministry and so that the municipalities know exactly what is going on and exactly what efforts are being undertaken?

Hon. Mr. Bradley: I would be pleased to ensure that the municipalities directly involved be kept informed of the activities of the Ministry of the Environment in that regard. Specifically, as to the drinking water itself, it is the medical officer of health who is informed. As late as yesterday afternoon, I was in discussion with the mayor of Wallaceburg. I indicated in the House I would be calling him. I discussed his concerns on that occasion. I will continue to discuss concerns with the communities that are affected.

ENVIRONMENT BUDGET

Mr. Brandt: This question is also for the Minister of the Environment. A few months ago the member's party made some environmental promises that totalled, I believe, in the range of \$73 million. The budget the Treasurer (Mr. Nixon) has just brought down indicates that the minister is going to get some \$41 million less than those promises and that there are a number of areas of the environmental budget that are not

going to be addressed as a result of the most recent budget.

Can the minister explain the miraculous environmental healing process that has gone on in the past few months to eliminate the need for a \$33-million general environment budget increase, a \$30-million perpetual care fund, a \$10-million beach cleanup, which he talked about rather frequently when he was on this side of the House, and major funding for acid rain, which he has put not one nickel in his budget to cover in spite of the fact that he was the first minister in the history of this province—

Mr. Speaker: Order. The question has been asked.

Mr. Brandt: —who knew the federal government had committed itself to an acid rain abatement program?

Hon. Mr. Bradley: I find it most interesting that the former Minister of the Environment from a government that actually cut the environment budget has the gall to ask that kind of question.

Mr. Brandt: Answer the question.

Hon. Mr. Bradley: I will give the member credit for nerve, if not for anything else. I want to assure the member that all the commitments that this government has indicated during the election campaign and prior to that are commitments that will be met.

Let me give the member an example. He will understand that if a government is going to commit funds to the cleanup of acid rain in terms of, for instance, the federal smelter program, which has available in it up to \$150 million, those expenditures would not even be taking place until the late 1980s. The member will know there would not be an expenditure this year, because the work would not be undertaken this year, next year or the year after. That is why he will not find that funding there.

I can assure the member I personally have met on four occasions with the federal Minister of the Environment since he became the minister. On the last occasion I met formally with the federal minister in Ottawa we discussed the matter of acid rain. I was able to obtain from him at that time assurances there would be sufficient federal funding to address the problems he and I saw relating to acid rain and the smelters.

I honestly do not know what the member is talking about when he discusses—

Mr. Speaker: Order. Supplementary.

Mr. Brandt: The sanctimonious, self-righteous, hand-wringing on the part of the

minister over there will wash only for so long. He has cut needed environment—

Mr. Speaker: Order. I would remind the members this is not a debate period; it is a question and reply period. Would you please place your supplementary?

Mr. Brandt: My supplementary question, which I know you want me to ask, Mr. Speaker, is with respect to municipalities that require either upgrading or new programs relative to either water or sewage treatment. Why has the government cut that budget?

Hon. Mr. Bradley: The member will know when his government was in power, when it had the wonderful dream about what was going to happen at Townsend, that forced the regional municipality to oversize its water systems; and when we were going to build an airport out at Pickering, which his government was in support of, as I recall, the York-Durham system was very much oversized.

This placed a very difficult burden on the municipalities. If the member will look carefully, he will understand that we have assisted those municipalities and other municipalities by millions upon millions of dollars so they would not have this debt burden that would have to be placed upon those who are water users in this province. All the member has to do is look at the budget and he will find that out.

Mrs. Grier: Would the minister not agree that if he adopted a philosophy of making the polluters pay, then perhaps those who create the problems would make a sizeable contribution towards their solution?

2:50 p.m.

Hon. Mr. Bradley: I certainly agree with the member that is a very important component of the activities this government intends to undertake. She will know that when we had a situation where we had a request for a deferral of the implementation of a control order in Sault Ste. Marie, this ministry stood fast and did not allow a further deferral of that control order.

I came under a lot of criticism for that, but I think it is important that those who are in the industry make their fair share of the contribution as well.

REPORT ON FREE TRADE

Mr. Morin-Strom: I have a question for the Premier. It has to do with the Premier's oft-stated commitment to open government. On a number of occasions, the Premier has referred to a study done by the Ministry of Industry, Trade and

Technology which details the 270,000 jobs which are at risk under a move towards a free trade agreement with the United States.

Could the Premier explain why, despite the commitments he made at a press conference on September 26 to make this report public, the Ministry of Industry, Trade and Technology has refused to make the study public to this point?

Hon. Mr. Peterson: My understanding is that it is in the process of being put in a form for release. Let me assure the honourable member that there are absolutely no secrets in that regard. I want that information public. I want a discussion of it and I invite scrutiny of it. Others may have different views of the information compiled. I can check into the details of why that is not available today or why it was not available last week, but I can assure the member that the view of this government is to make that report public. If there is a holdup, it is purely a technical one, not a substantive one.

Mr. Morin-Strom: In following up on this question, over the period of the last five weeks we on this side have tried to get the Ministry of Industry, Trade and Technology to release the study and apparently there is some reluctance within that ministry. Could the Premier give us a specific date when the study will be released?

Hon. Mr. Peterson: I am sorry I cannot, but perhaps I can refer him to the minister, who may be able to give him a specific date.

Hon. Mr. O'Neil: I thank the member for the question. Knowing of his and his party's concern about the free trade issue, I can assure him the report he talks about, which was the background research on Canada-United States free trade, is not yet completed. We would hope it would be ready within the next week to 10 days and immediately upon its completion that report will be released. He will be one of the first to receive copies of it.

In addition to releasing that particular report, over the next three to four weeks we will be releasing several other studies. Again, both the honourable member and the other members of the Legislature will be given those reports as soon as they are ready.

We have been reviewing the particular report the member asks for, and there are a few things we want to change that I did not think were quite right or put together correctly. He will receive it as soon as we have it.

TEACHERS' LABOUR DISPUTES

Mr. McKessock: I have a question for the Minister of Education. As the minister is aware,

there are two teachers' strikes in my riding, one in Grey county and the other in Wellington county. One is in its seventh week and the other is in its eighth week. The feeling in the community runs from depression to hostility. They are asking me to push the minister to legislate the teachers back to work, and this I have been trying to do. It is my understanding that a jeopardy hearing would be helpful in this regard, and many people have asked for the same thing.

Would the minister consider directing the Education Relations Commission to come to Wellington and Grey counties and hold a hearing in each of these two municipalities to help them and himself determine whether the students' year is now in jeopardy?

Mr. Conway: I want to thank the honourable member not only for his question, but also for his many representations to me on behalf of the 13,000 secondary school students in the counties of Wellington and Grey who are affected by these two disputes. As the members know, we have Bill 100, the School Boards and Teachers Collective Negotiations Act, which clearly sets out a process and a timetable.

The Education Relations Commission is monitoring the situation very carefully in both the counties of Wellington and Grey. Of course, the act places upon the Education Relations Commission the responsibility to make a determination of jeopardy, which they have not done in either the county of Wellington or in the county of Grey at this point.

Mr. Sargent: Mr. Speaker, I have a supplementary, but I would like my friend the member for Wellington-Dufferin-Peel (Mr. J. M. Johnson) to have a shot at this too.

Mr. Speaker: If you give him that chance now, you will not get a chance.

Mr. Sargent: Say again.

Mr. Speaker: According to the usual routine and procedure for question period, you may have your supplementary now, but it is not possible after the member for Wellington-Dufferin-Peel has asked his. Go ahead with your supplementary.

Mr. Sargent: Since this is International Youth Year, since as of today all talks in Grey county are suspended and the teachers say they are through until next June, and since students must apply to the university this month for entrance, regardless of marks, will the minister not agree that the Education Relations Commission is a sham and that we have to find a better way to protect the future of these students?

Hon. Mr. Conway: I will say to the honourable member what I have said in this House on previous occasions. The best way to resolve unhappy and difficult situations such as the member is experiencing in Grey and my colleague is facing in Wellington is to bring pressure to bear on both local parties to achieve a locally negotiated settlement.

I want to be clear about this. There are 13,000 young people whose education is at issue in these disputes, but both local parties have it within their power to resolve this in the interests of those students and those local communities. I strongly encourage both local parties in Wellington and in Grey to undertake that responsibility in the most serious and immediate way, to return to the bargaining table and to resolve this in a locally negotiated way.

Mr. J. M. Johnson: On behalf of the students and parents in Wellington and Grey, will the minister answer one simple question? How long does he believe this particular strike can continue before a student's academic year is in jeopardy? In heaven's name, how much longer?

Hon. Mr. Conway: The act clearly establishes a responsibility with the Education Relations Commission in this matter of jeopardy. Bill 100 created the ERC. The ERC has had 11 years of experience. It has a mandate under the act to monitor those strikes and to make a determination of jeopardy. In both Wellington and Grey, as of this date, the ERC has not made a finding of jeopardy, but it is monitoring the situation in Wellington and Grey on a daily basis and reporting to me on almost a daily basis as well.

Let me repeat this so there is no confusion on this point. This minister feels the best resolution is a locally negotiated settlement in both cases. I want to say to my colleagues in the Conservative Party that their administration allowed secondary school disputes to go on in the case of Sudbury—

Mr. Speaker: Order.

3 p.m.

LAYOFFS AT MASSEY-FERGUSON

Mr. Gillies: My question is to the Minister of Industry, Trade and Technology. It concerns the decision of Massey-Ferguson to suspend combine manufacturing and to lay off 1,300 employees in its Brantford and Toronto plants. The minister will know that, added to the closure of White Farm Manufacturing, this means there are 1,700 workers in Brant county who were working in the farm equipment industry who are now not working, workers who were employed before his government took office.

What concrete steps is he taking now to stimulate employment for those laid-off and unemployed workers?

Hon. Mr. O'Neil: I would like to thank the member for Brantford for the question, because this matter of large job losses is of concern not only to him but to all the members of this Legislature. I might remind him that when he looks over at this government and prefaces his question with "since your government took office," those layoffs have been taking place for many years because his government did not take action on them. When one gentleman who has been employed there since 1950 says he has been laid off 54 times, the previous government is partly to blame for some of those problems.

Mr. Gregory: When are you going to start to take responsibility?

Mr. Hennessy: You are the government.

Mr. Brandt: What are you going to do?

Mr. Speaker: Order.

Hon. Mr. O'Neil: Getting back to the matter, it is also of great concern to us, and my ministry has been in touch with them. We will do everything we possibly can to maintain those jobs, even if we have to go back to the 1981 agreement. However, an excellent start has been made. The reason farmers cannot buy some of that equipment is the underfunding by the previous government in the past number of years.

Let me tell my friend that because of the hard work of the Treasurer (Mr. Nixon) and of the Minister of Agriculture and Food (Mr. Riddell), our budget is up by more than 20 per cent. I hope that enables some of the—

Mr. Speaker: Order.

Interjections.

Mr. Speaker: Order.

Mr. Gillies: If the minister is not aware, I will share with him that more than 90 per cent of the company's product is not sold in Ontario and that the agricultural policies of this province have absolutely nothing to do with it. The question is this—

Interjections.

Mr. Speaker: Do you have a supplementary?

Mr. Gillies: Yes. On August 14, following the closing of White Farm, the minister wrote to the mayor of Brantford and said, "Be assured my ministry will continue to make every effort to assist Brantford in its quest for viable industry." Since then this government has brought in a budget, which is the first Ontario budget in six years to make no mention of training or

employment programs for workers over the age of 24.

I want to ask the minister, what are the concrete steps he is taking to stimulate new industry in my community? Also, is he going to ask the Treasurer to amend his budget to bring in meaningful training and employment—

Mr. Speaker: Order.

Hon. Mr. O'Neil: My ministry is on a very busy schedule of asking and talking to people in the Brantford area. The Treasurer has also talked to me several times about what we can do there, and my ministry staff has been instructed to do whatever it can to help provide new industry and jobs in the member's area.

The member's question on training and skills would be better directed at another time to the Minister of Skills Development (Mr. Sorbara), but I can assure my friend we will do everything in our power to make sure those jobs are maintained. We are told by the company these are temporary layoffs, but the problem is that if it were ever to close permanently those jobs could be lost never to come back.

We will do everything within our power to make sure the jobs are maintained, and we will do everything we can for the municipality of Brantford to assist in obtaining additional industries for that area.

Mr. Mackenzie: Inasmuch as the previous government, after the 1981 majority election, refused to reconstitute the select committee on plant shutdowns and employee adjustment, is this minister prepared to look at that committee and at some of the recommendations this party has made with respect to public justification and community adjustment funds to deal with plant shutdowns such as this?

Hon. Mr. O'Neil: The honourable member may remember I was the vice-chairman of that committee. It did some excellent work with the participation that came from all the members.

We have been looking at some of the municipalities, the one-industry towns, in northern Ontario. We feel that where we have a large employer such as this in particular areas, we should be giving a lot of attention to those areas.

I can only assure the member that many of these matters are still under review and that jobs are one of the most important items for this new government.

Mr. Speaker: New question; the member for Scarborough-Ellesmere.

Some hon. members: Resign.

Mr. Warner: And make them happy? Are the members kidding?

SALE OF BLOOD

Mr. Warner: I have a question for the Minister of Health. Will the minister bring in legislation as soon as possible that will prohibit the private sale of human blood?

Hon. Mr. Elston: That is a new question from the honourable member. He knows full well that the system in Ontario, and in Canada in general, is based on the voluntary donation of blood. The Red Cross, which is currently in charge of the collection and distribution of blood in the province and in Canada, has not got into a system of purchasing blood for delivery. I anticipate that will continue in Ontario. In fact, policy decisions have been made with respect to blood and blood products that indicate we support the voluntary donation system.

Mr. Warner: I am surprised the minister does not take the matter seriously. Does he not realize that unless legislation is brought in there may be more privateers like Jim Burgess, who are quite prepared to negotiate cost and to offer a discount if one is willing to receive their blood more than once? Privateers such as him can help to destroy the voluntary system this country prizes. Why will the minister not bring in legislation?

Hon. Mr. Elston: The member obviously misunderstands. When I say we support the voluntary system, we have taken strong steps to encourage and support the Red Cross in a number of its initiatives. We will continue to do that. We will look into particular legislation so that the initiatives of individuals such as Mr. Burgess can be addressed. At no time can the member say I do not take this issue very seriously. He is certainly misinformed.

ARTISTS' TAX EXEMPTION

Hon. Ms. Munro: I would like to respond to the question asked previously by the member for York West (Mr. Leluk). In my response to the question yesterday, I noted that arts-related tax issues were discussed in Halifax in September at the federal-provincial meeting of culture ministers.

Ontario made a presentation that included the issue of federal sales taxes and duties. Many artists have felt such taxes have not always been fairly applied. The federal minister agreed at the time to bring these issues to the attention of his Finance colleague. It was also taken as a significant critical document by the federal task force investigating funding of the arts.

However, I would like to point out to the honourable member that a provincial sales tax exemption on artists' materials has been available to artists in Ontario since 1961. The onus is on the artist to apply for such exemption.

In regard to provincial tax on the sale of art works, I should note that art galleries and museums that are primarily funded from public donations and/or government grants are exempt from paying sales tax on art purchases. Other organizations and individual buyers are required to pay the usual sales tax. Such tax is paid by the consumer and not the artist.

NOTICE OF DISSATISFACTION

Mr. Morin-Strom: I would like to file my dissatisfaction with the response given today by the Minister of Natural Resources to a question raised by myself and the member for Fort William (Mr. Hennessy) several days ago. I would like the opportunity to debate it this evening.

Mr. Speaker: I presume the member will take the appropriate steps set out in the standing orders.

3:10 p.m.

PETITION

ROMAN CATHOLIC SECONDARY SCHOOLS

Mr. Henderson: I rise to present a petition from the Kingsway council of the Knights of Columbus, signed by almost 2,000 petitioners, in support of completion of funding to the Roman Catholic separate school system.

"To the Honourable the Lieutenant Governor and the Legislative Assembly of Ontario:

"We, the undersigned, beg leave to petition the parliament of Ontario as follows:

"Whereas it is the sincere expectation of more than 500,000 students and staff of the separate school system of Ontario and nearly four million separate school supporters in the province of Ontario; and

"Whereas it was clearly the intent of our forefathers to treat both sectors of our common school system equally; and

"Whereas this intent is evident in successive acts of the Legislature since 1841; and

"Whereas the rights of separate school supporters are now protected under the Constitution of Canada; and

"Whereas deviation from past practice has occurred within the last 20 years, whereby trustees of the nondenominational sector of the

common school system have been given the right to administer secondary education; and

"Whereas similar rights have not been granted to the trustees of the separate school sector; and

"Whereas the then Premier, the Honourable William Davis, on June 12, 1984, informed the Legislature that it was the intent of his government to empower Roman Catholic separate school boards to operate secondary schools for secondary students, commencing September 1, 1985; and

"Whereas this intent was unanimously supported by all parties in the House;

"We petition the Ontario Legislature to implement the policy on the funding of the completion of our separate school system without delay in order that it can be applied on September 1, 1985.

"We further petition that this legislation protect the historic rights of Roman Catholics to maintain the special character of their separate schools."

That petition is signed by John H. Feeley of the Kingsway council of the Knights of Columbus and by almost 2,000 additional petitioners.

MOTION

PRIVATE MEMBERS' PUBLIC BUSINESS

Hon. Mr. Nixon moved that Mr. Treleven be deleted from the order of precedence for private members' public business and that all members of the Progressive Conservative caucus listed thereafter be advanced by one place in their turn.

Motion agreed to.

INTRODUCTION OF BILLS

HEALTH PROTECTION AND PROMOTION AMENDMENT ACT

Mr. Pierce moved, seconded by Mr. Guindon, first reading of Bill 52, An Act to amend the Health Protection and Promotion Act.

Motion agreed to.

LABOUR RELATIONS AMENDMENT ACT

Mr. Mackenzie moved, seconded by Mr. Laughren, first reading of Bill 53, An Act to amend the Labour Relations Act.

Motion agreed to.

Mr. Mackenzie: The purpose of the bill is to clarify that the Labour Relations Act applies to employees who are engaged in agricultural employment in an industrial or factory setting. I trust the clerks will realize there is also a resolution dealing with landscaping workers, who are not covered under the employment standards.

ANSWERS TO QUESTIONS IN ORDERS AND NOTICES AND RESPONSES TO PETITIONS

Hon. Mr. Nixon: I wish to table the interim answers to questions 46 to 71 and responses to petitions presented to the House, sessional papers 176, 177 and 178, standing in the Orders and Notices [see Hansard for Friday, November 8].

NAMING OF MEMBER

Hon. Mr. Nixon: Mr. Speaker, on a point of order: I was concerned on Friday last when the member for Simcoe Centre (Mr. Rowe), in the course of his question, indicated to me that I was misleading the House and the province. When he refused to withdraw that point, you ordered him to leave the chamber. He was not present yesterday, but he did come in today. I did not have a chance to raise the matter during his presence, and he is now absent again.

My concern is this. If a member says another member is misleading the House, is asked to withdraw and does not and is ejected from the chamber, my concern continues, particularly under circumstances that tend to trivialize the House and the members such as we experienced on Friday when the member leaves the House for a very short period of time.

There is a tendency for the local newspapers to be informed of this important matter. It happened a week or two weeks before to another member. They come in, having served their penance, and continue business as if nothing had happened. I find this unsatisfactory.

Saying that another member is misleading the House may not be very serious, and it may be that the House ought to change its approach to this, so we might even accept that, since it has been so trivialized by overuse. I do want to express my personal objection, however, to a member being ejected from the House, then returning and assuming business as usual without withdrawing the remarks.

The matter has been before the House before, but I wanted to raise it again for your consideration. It may well be that it is a matter that depends on your judgement, rather than a reference to the standing committee on procedural affairs and agencies, boards and commissions.

Mr. McClellan: If I may speak to the point of order that has been raised by the government House leader, this is a matter I know he feels very deeply about. It is also a matter we have discussed and debated before in the House, but

my colleagues continue to hold a different view from that of the government House leader.

It seems to us that standing order 20(b) is very clear. It reads very straightforwardly, "When a member is named by the Speaker, if the offence is a minor one, the Speaker may order the member to withdraw for the balance of the day's sittings." The standing order then sets out a second procedure to empower the Speaker to place a motion that a more serious punishment be imposed.

It seems to me the standing order is very clear and the incident to which the government House leader refers has been dealt with correctly. If further action were to be taken, the course is set out in the standing orders and we do not feel anything else is required.

Mr. Gregory: Mr. Speaker, on the same point of order: I tend to share the opinion of my colleague from wherever.

Mr. McClellan: Bellwoods.

Mr. Gregory: The member for Bellwoods. This has been going on for many years, and if we—

Mr. Laughren: Where is the member from? Is he a member? When was he elected? He is a stranger in the House.

Mr. Gregory: Who is that member anyway?

It is my feeling that if this practice had been followed as suggested by the government House leader, probably very few Liberals would still be sitting in the House and almost no New Democrats, because nobody ever apologizes around this place that I am aware of. I do not think any change should be made to this rule and, with apologies, I take a different position from that of the government House leader.

3:20 p.m.

Hon. Mr. Nixon: Mr. Speaker, I wonder if you would permit me to comment before you speak.

Mr. Speaker: Is it agreed?

Some hon. members: Agreed.

Hon. Mr. Nixon: I appreciate the honourable members letting me speak again. I think my point might have been misunderstood. I think the whole process is losing any impact or importance. Perhaps it is even reversing and becoming just an ordinary parliamentary procedure, particularly if it results in a small story under the fold of page 1 in the local paper.

For that reason, Mr. Speaker, I would like you to consider the list of so-called epithets that are considered unparliamentary. It may be the views

expressed by the honourable members opposite convey, let us say, the increasing laxity and lack of decorum in this House and the community in general. If so, I do not object to that, but let us quit fooling around with ejecting people for matters which the House obviously does not consider important.

We could stick with the one epithet which is unacceptable in this House and any kind of civilized society, from which this one tends to stem in a rather tenuous way. I just would suggest to the honourable Speaker that he might consider on his own authority simply dismissing that whole list of parliamentary adjectives that are not accepted and say let us stick with the ones that really are unacceptable and not go through this charade day by day.

Mr. Speaker: I thank the honourable members for their comments on this point of order. I have to say as Speaker that it is up to me to uphold the rules as set out in the standing orders, because they were set out by the members of this House. That is the way they wanted business carried out here. Therefore, I feel it is my responsibility to carry them out to the best of my ability according to those standing orders.

I would also draw to the members' attention that I believe there has been one previous occasion when a member has withdrawn a word at the insistence of a member. I believe that member used the word "liar" at that time. I also remember this being sent since then to the procedural affairs committee. It was certainly discussed, but there was no consensus.

I have no hesitation in suggesting that if the members so desire, it could go to the committee where I hope it would be looked at very carefully.

In reference to the Treasurer's final comment, I find it difficult to depart from the traditions of the Legislature, which go back many years. I feel it would be definitely up to the House to send the matter to the procedural affairs committee.

ORDERS OF THE DAY

CORPORATIONS TAX AMENDMENT ACT

Hon. Mr. Nixon moved second reading of Bill 45, An Act to amend the Corporations Tax Act.

Motion agreed to.

Hon. Mr. Nixon: This bill, An Act to amend the Corporations Tax Act, contains amendments arising out of the proposals in the budget of October 24, 1985, some required as a consequence of the recent changes in the federal Income Tax Act and others that are of an administrative or technical nature.

One of the budgetary measures being implemented by this bill is an increase in the basic corporate tax rate from 15 per cent to 15.5 per cent, with consequential changes to the small business tax credits. The tax rate applicable to profits from manufacturing and processing, mining, farming, fishing and logging will be increased from 14 per cent to 14.5 per cent. The increase will apply to taxation years ending after royal assent, with a proration adjustment for those taxation years, including that date.

The recent changes in the Income Tax Act (Canada) relating to small business tax simplification are being paralleled in this bill. The ceiling on the cumulative deduction account and the special nonqualifying business category will be eliminated. Both measures apply to taxation years ending after December 31, 1984.

The following changes are being made to payment requirements. Where a corporation is a Canadian-controlled private corporation throughout the year and had taxable income in the immediate preceding year of less than \$200,000, it will be required to pay its balance of tax within three months of its taxation year-end. Other corporations will be required to pay the balance of tax within two months of the taxation year-end.

Consequent on these changes, the Corporations Tax Act is being amended to exclude from the small business tax holiday nonqualifying businesses and those corporations with taxation years ending in the period January 1, 1985, to May 13, 1985, whose cumulative deduction account in the prior taxation year exceeded \$1 million.

For taxation years ending after the date of royal assent, the bill proposes to disallow the deduction of the three per cent inventory allowance. Also, certain management fees and similar non-arm's-length payments to nonresidents will continue to be subject to Ontario tax and no longer will be tied to the federal withholding tax requirement.

The bill contains amendments of an administrative nature which will reduce significantly the filing requirements and compliance costs for a large number of Ontario small businesses. In particular, a corporation which qualifies as a special small corporation for a taxation year will not be required to file a provincial tax return and financial statement.

In addition, the bill contains other technical and housekeeping amendments.

Mr. Dean: I welcome the short statement of the Minister of Revenue and Treasurer (Mr.

Nixon) and lord high everything else on this piece of legislation. We in Her Majesty's loyal opposition welcome anything that is going to simplify the tax system and the amount of paperwork that corporations have to go through in preparing and remitting their taxes. We have no problem with those aspects of the bill, assuming they work out as planned.

In the main, I regret there seems to be a certain lack of concern for the problems that business has had over the last few years and a little too much incentive to tax businesses more heavily than perhaps should have been done. For example, I know the Treasurer has reasons for removing the three per cent inventory allowance which could apply to any business and which, in certain businesses, quite easily could amount to \$25,000 or \$30,000 if they have inventories in the \$1 million range. This is quite possible in some businesses and it is an appreciable amount when one is talking about businesses that are just emerging from a difficult period.

3:30 p.m.

Also, it probably is hitting business when it is not exactly down but struggling to get up, to parallel the federal rule about the partial year capital cost allowance, which is now changed to be only half the normal rate if the capital item is acquired in the course of the year. This could be justifiable, but I do not believe it is something which is welcome or useful in an effort to stimulate the economy.

In response to many questions, the Treasurer has said the increases in taxation are all directed towards productive programs. Therefore, he claims they are not negative or disincentives in the economy as a whole. Something like this, where he is requiring corporations to reduce the kind of deductions they may use when they are making their tax returns, inevitably results in more taxes being paid at a time when many corporations are still just barely keeping their heads above water.

I also regret the Treasurer has not seen fit to continue the program our government had for some years, put in by the former Treasurer, now our leader, to give a tax holiday to small businesses. There is something that is intended, I believe, to be a substitute for that, in that newly formed small businesses are eligible for a tax holiday in their first three taxation years of activity. But many small businesses do not get to the point of having a taxable income in those formative years. In many respects, this is more a symbol than it is of practical assistance to a small business trying to get going.

I guess it is not necessary to remind the Treasurer or the other members of this House how important small business is, not only in this province but also in the country as a whole, in the creation of new jobs. I believe in the neighbourhood of 80 per cent of new jobs have actually been created by small business.

I am leaving some things for my colleagues to comment on, but the other thing I wish to comment on is the general effect the whole budget appears to have on business in general. We see people such as the chairman of the Ontario division of the Canadian Manufacturers' Association saying: "The budget merely increases taxes. Any increase in costs makes us less competitive at a time when we are struggling with the load we are already carrying."

I think I have already mentioned that there is a half a percentage point increase in corporate income tax—the Treasurer referred to that—across the board on all corporations.

The amount the Treasurer hopes to gain in tax revenue by the increase in the general taxation rate is approximately \$15 million, according to his estimates for 1985-86. I was not able to find an estimate of what it would be for a full year. Maybe that is beside the point, but it looks as though there is a figure for the whole corporate area, I believe.

The other thing I want to comment on is that it does not appear there is anything in this bill that assists corporations that genuinely want to create the jobs I mentioned earlier. I think there could have been other measures the Treasurer could have taken to secure the revenue he feels he had to have instead of putting as big a burden as he has upon the corporations of the province.

That is the end of my comments right now.

Mr. Foulds: From that speech, I am not sure if the official opposition is supporting or opposing the bill. I want to say right at the beginning that we are supporting this particular bill. This will be of no surprise, but we do not think it goes nearly far enough. However, it does move to close two loopholes in what we call tax expenditures. It has moved to parallel the federal legislation and it has marginally increased the corporate income tax by half a percentage point.

There are basically two things I want to say. The party to my right may find it difficult to be fiscally responsible, but we in this party are fiscally responsible. If, as we have agreed in this parliament, we are going to advance social programs to the citizens of this province that are badly needed, then we have to look for the revenue somewhere.

I refer to programs such as housing, increased education financing and, I would hope, increased social assistance in excess of the four per cent the Treasurer indicated in his budget. In response to a question from my colleague the member for Scarborough West (Mr. R. F. Johnston), the Treasurer said this hurt him as well but that he could not find the revenues in this half-year budget to finance it.

I would suggest that although we cannot get all of that revenue, nor should we get all of it, from corporate income tax, we do have to look honestly and logically at that sector. It does seem to me, for example, that we have to look at what are called tax expenditures. I know this is not a catchy, a populist or even an easy concept, but tax expenditures have grown since the 1960s, so that at the federal level they have risen to almost 60 per cent of the government's expenditures.

What does this mean? It means we have a tax system that generally establishes a level of tax, but we have introduced into that tax system a number of exemptions, a number of loopholes, a number of incentives that deprive us of that revenue.

Some of those tax expenditures are probably both socially and economically useful, but this Treasurer and this government have not yet seen fit to publish an account of them. The Treasurer has indicated that by closing these two small loopholes he will be getting considerable additional revenue for the province. He indicated, in reply to a question I asked a week or so ago, that by closing two other loopholes he could get \$185 million more in revenue for the taxpayers of this province.

I would like to remind all members of the House in all parties that if we grant a tax expenditure in one area, if we give an exemption for big business, for individuals, for small business or for whatever, we have to recover it in other places. Traditionally, what has happened in budgets in this province is that the burden of taxation has shifted dramatically to the personal level.

I know there is a Conservative argument, which I understand although I do not agree with it—I follow it and it has some minimal logic to it—called the trickle-down theory. They would say that any tax is a personal tax because the tax to corporations and so on is paid in an increased price to the buyer of the product. That is a fairly tortuous argument.

3:40 p.m.

All I would like to say on this bill is that we support it as far as it goes. We would like a

simplification in respect of small business in particular. One of the biggest burdens on small business is not so much the level of taxation it pays—and, by and large, small business pays a proportionately larger portion than does large business—but the amount of paperwork that has to be done for all levels of government. That is really annoying to the small businessman. I can sympathize with that and I agree with the simplifications.

The Treasurer has moved one small step in this area. I would like him in his next budget to take—dare I say it, after having called him a Progressive Conservative with respect to his budget—a more radical and wide-sweeping look at the tax expenditures that are granted to corporations and to individuals in this province.

I would also like him to take a look at establishing—which I believe he can do without seeking the authority of his federal counterparts to oversee it—a minimum corporate income tax.

Mr. F. S. Miller: Of all the forms of taxation which I had to debate in my five years as Treasurer, none occupied more of my mental and philosophical time than corporate tax. One of the reasons the New Democratic Party and perhaps the electorate at large will always bless governments which increase corporate taxes is that somehow they see the money to run government coming from someone else. What they lose track of entirely is that only people pay taxes, not corporations. Corporations in the long run have uses for their funds. In the long run, they are able to get the return on investment they must have to survive by increasing prices to compensate for the taxes we have put on them.

Sometimes that can mean a corporation in North America cannot compete with a corporation in a country such as Japan because the taxes may be raised in Japan on value added taxes or some other forms which are taxed at the consumption level rather than the manufacturing level. Sometimes that means a product is exported with our taxes in to another nation, it does not compete and we do not have jobs at home.

A Treasurer will always have something of an internal tug of war when balancing the cash demands against the sources. He will always be damned for taxing individuals in any form and most of the time will be praised by about 98 per cent of the electorate for taxing corporations.

We want to get back to the basic purpose of a budget, other than the raising of funds. That other purpose has to do with making this

province a good, safe and dependable place in which to invest.

Corporations, as we have discovered all too often in our last few years, can move pretty readily. If they do not like the cost of labour, the tax regime, the environmental laws or the labour laws here; whatever they do not like, whether we like it or not they can very often go somewhere else.

Whether I like it or not, they take jobs with them. They take them to the southern states, they take them to whatever jurisdiction—

Mr. Foulds: Does the member want to import Third World working conditions here?

Mr. F. S. Miller: I am only talking about creating jobs for the people the member and I represent. He and I have a community of purpose here.

I have argued that far more important than how much one taxes a corporation is when and how one taxes a corporation. I got a lot of advice as Treasurer, and I am sure the present Treasurer gets a lot of advice, to speed up the cash flow and get it in faster. Even if the same number of dollars come in over a 10-year period, if he can get them all in in two years instead of in five years he has solved his problems.

Maybe the Treasurer has solved his problems, but solving his problems is not his first responsibility. I know that must be very important. It is not very often an ex-Treasurer speaks to a current Treasurer—

Hon. Mr. Nixon: I am listening.

Mr. F. S. Miller: One cannot listen and talk too; at least I never could.

The very words “tax expenditures” are bruited about, and they have the connotation of a ripoff. Tax expenditures, forgiveness of tax, or loopholes are only useful if they bring jobs and investment to our regime. If I were speaking in a wholly idealistic way, and my staff has heard me say this, I do not think corporate tax serves any useful purpose. On the other hand, corporations must pay their share of tax to us one way or another.

One of the major problems facing those corporations that are surviving in this province is the balance sheet. I am sure the Treasurer has looked at companies like Massey-Ferguson and Canadian-owned corporations which survived the last recession. He may find tremendous debt-to-equity ratios on their balance sheets. I saw some statistics, which are probably a year and a half to two years old now, which said that Canadian-owned corporations which survived the recession had a debt-to-equity ratio of two to

one and American-owned corporations operating in Canada had a debt-to-equity ratio of one to two.

The Treasurer knows what that means. He knows corporations live on their equity when things get tough because they cannot afford to live off anything else. It is like having some fat on the body. Luckily, I can survive some form of recession on that basis. Many corporations could not stand another recession now because they have not had time to build up the kind of equity needed to write down those loans which bled them white during the last recession.

Corporate tax plays a major role in readying those corporations for the next go-round. So we have this tremendous temptation to be seen to be taxing a corporation knowing it will pass it on to the consumer, knowing it is a way to get taxes out of people, appearing to get it from somewhere else, versus making sure those corporations can survive.

We practised what I am preaching with the small businesses in this province. We came to the conclusion that a small or a big business always looked at after-tax return on any investment it made to determine if it passed threshold tests. If the corporate tax rate is 50 per cent, as is approximated for most major corporations of this province, to have a dollar after taxes they have to make \$2 before taxes. Very many investments which pass the first test will not pass the second. So one sees many corporations in this province gradually going downhill because they cannot get the after-tax return they need to survive. With them go the jobs of workers who are working hard but whose machines and factories are not efficient any more.

As tax collectors in this province, we have a major obligation to make sure the tax laws we bring in encourage incremental investment in new technology and better equipment which protect jobs. We did it with the small businesses by taking off the tax and saying, "We will tax you when it is all over on a personal income tax basis."

The point I want to object to most strenuously in this bill is one I know the government will win. If one went out to the streets tomorrow and said, "We have speeded up the collection of money on capital cost allowance," think of how many people would cheer because they would thoroughly understand what had been done—what I mean is that no one will, outside of—

Hon. Mr. Nixon: I understand the member.

Mr. F. S. Miller: He does. Yes, I hope he does. He has the job.

Hon. Mr. Nixon: Then why is the member explaining his own bon mot?

Mr. F. S. Miller: Because, believe it or not, other people read Hansard. Because the Treasurer is a reasonable man, he should understand that by paralleling the MacEachen move of 1981 in the guise of simplifying and paralleling federal corporate tax moves, this Treasurer has slowed down the cash flow for companies making investments in new capital equipment to the point where it will make the difference for a lot of them in whether they do or do not make an investment in this province.

3:50 p.m.

If the member has talked to the Algoma Steels, the Dofascos, and the Stelcos, he will know that is about all that allowed them to make some of their investment decisions. While I may not be here much longer as leader of the party or as a member to talk to him, the piece of advice I would give him is this: the Treasurer should not be too quick to take what seems to be an easy way to make his cash requirements less this year and in the process kill the goose that laid the golden egg. That is the real test every Treasurer of this province and every finance minister in this country has to face, the temptation to solve problems in the immediate time frame and the need to solve the problems of average working people who depend on those investments for jobs.

I said that ideally I did not believe in corporate tax; I am also a politician and I realize it will never go away. I would have treated all profits of all companies as normal taxable income on the personal income tax side. The moment a company dispenses it, the moment it gives it to a shareholder, it should be treated as any other income.

That means as long as the money was at work we would be profiting through its reinvestment, assuming they make those decisions. The moment it was excess to the company's needs, the Treasurer would be collecting whatever tax rate the individual shareholder who received it was entitled to pay—53 per cent, 48 per cent, 29 per cent or whatever it happened to be. In the long run, that would have allowed companies to weigh the demands to pay dividends against the immediate need to improve balance sheets and to make investments that were in the long-term interests of their employees and their shareholders.

That is something the Treasurer will have time to reflect on in the while ahead. For a change, I am not talking in any partisan way today. As the

Treasurer's staff will know, I am talking from my own deeply held convictions. I recognize that the tax regime of the province will be understood by one per cent of the people, but will affect 100 per cent of the people. I suggest to the Treasurer that some of the moves he is making, particularly this capital cost allowance and a three per cent tax on inventory on small business, are counterproductive. They have solved this year's problems and sowed the seeds for the next.

Mr. Warner: The bill is a modest move towards reforming the corporate welfare system.

Mr. Guindon: I am proud to rise on such an occasion to speak on Bill 45. I take grave exception to the member who just mentioned his kind words about small business. I hope the business sector remembers that when the next election comes.

I would like to mention a few words on the tax holiday for small business. Three years for a corporation usually does not make enough profit eventually even to have any profits to pay taxes on. A small business in Ontario is not always a small corporation. We understand why people get incorporated and it is certainly not always in their best interests.

On the other side, the Canadian Organization of Small Business in its prebudget submission to the government pointed out the business and personal income tax increase on small business. Taxes raise the cost of doing business and also hurt the chances of more job opportunities. The elimination of the three per cent inventory allowance will hurt small business.

I would like to remind the government that small business provides approximately 41 per cent of total employment in Canada. In the past five years, nine out of every 10 new jobs in Ontario have been created by small business. In addition, small businesses are responsive to community needs, hire local people and purchase goods they need on a local basis. Thus, small business creates many beneficial social spinoffs. Consequently, with these points in mind, I believe the members opposite could have done a bit more to help small business.

The one point I would like to bring up is the lack of an attempt, or the meagre attempt, to help eastern Ontario. In 1984-85 the small business development corporations program directed \$7.5 million to eastern Ontario. This year, if I understand the budget correctly, there will be \$9 million divided between north and east. The east needs more than that to back up job creation. The accounting firm of Clarkson Gordon estimated

that more than 1,000 jobs have been created by SBDCs.

The government gets its money from taxes and small business is willing to pay taxes. Also, those who pay taxes are people who work. In the job creation field the Treasurer knows himself that if a businessman can hire, for every job that pays \$20,000 a year the provincial government gets \$1,770 in personal income tax. With the new rate going from 48 per cent to 50 per cent, the government will get another \$70.

I sincerely say the way for this government to receive more taxes is to encourage jobs. Encouraging more jobs will automatically fill the coffers of this province and help with the social programs this government wants to bring in. In conclusion, I think this government has missed out on many opportunities to encourage the further growth, maturity and diversification of small business, particularly in eastern Ontario.

Mr. Lupusella: I am glad to rise and make a few comments about Bill 45. I understand the problem the Treasurer faced in the preparation of the budget. We would like to have more spending from Ontario but we have to make sure the revenues will be in place as well.

I have one simple complaint to make to the Treasurer, who is also the Minister of Revenue. We agree on this side of the House with the increase in the corporations tax. We view the budget as a small step to cover some of the loopholes that have been in place for so many years in Ontario and that were introduced by past Conservative administrations. These loopholes gave corporations the opportunity not to pay taxes.

We also understand the importance of the small business community and we share this concern. When I hear the Conservatives, or some of the Liberals in the past, say the New Democratic Party is completely opposed to business, profits and so on, I think some of the members should refrain from making those negative comments about the NDP.

We on this side of the House have a particular concern about the duty of all small businessmen in this province to create local jobs. We have a clear-cut political policy to make sure the government will give funds to expand small business operations to enable them to compete with big corporations and to create jobs at the same time.

4 p.m.

As I said before, we support Bill 45 and the clauses incorporated in it. In the future, for the sake of creating more jobs in Ontario, I would

like to see some assistance being provided to small businessmen, because we understand they are the backbone of our economy, especially when the economy is in bad shape.

We also are convinced that in the future, perhaps in the next budget, the Treasurer in his capacity will cover all the loopholes which at present enable big corporations not to pay taxes to the provincial government. As a sign of goodwill, I hope he will introduce legislation in the next budget to ensure that big corporations will pay their fair share of taxation.

In the last provincial election, the now Premier (Mr. Peterson) highlighted the issue that every year this province is spending \$26 billion on budgetary items and everyone in Ontario should pay a fair share. The people of Ontario, in particular the poor and low-income people, pay more than their fair share, but in turn do not get what they are supposed to receive.

I am sure the Treasurer has got the message that on this side of the House the NDP would like to see in the near future a complete closure of all the loopholes used by big corporations in Ontario to be exempted from all taxation. We have seen the final day of a terrible administration, portrayed by 42 years of Conservative rule, which penalized the poor while giving political leverage, through the loopholes, to big corporations.

Again, we have nothing against small businessmen. In the future, I hope that for the sake of job creation in Ontario, the Treasurer will do more to enable them to expand and compete with the big corporations. At the same time, we have to end the Tory regime, which in its 42 years created socialism for the rich people in this province and free enterprise for the poor.

Mr. Harris: I will be relatively brief, but I do want to say a few things about Bill 45, An Act to amend the Corporations Tax Act, and in particular about those sections of the bill to which I am opposed.

I am not surprised to hear that the New Democratic Party is in support of this bill or of the general budgetary direction the bill appears to take. I have said before in this Legislature—I believe it was in a question to the Minister of Revenue; he was the Treasurer at that time—that I likened this budget to the type of budget that came out in 1981, I believe; that is, the Trudeau-MacEachen budget.

I am convinced of that similarity by the comments of the member for Dovercourt (Mr. Lupusella) when he indicated that he liked the thrust of this budget, which closes what he called

the loopholes and which takes more money away from the corporations and takes money away from the small businesses. That is what the Trudeau-MacEachen budget attempted to do.

It attempted to say, I think in a very arrogant way, that government would tell these companies how to spend their money and how to create jobs and would take any surplus money that might be sitting around for some businessmen, small businessmen or large businessmen, tax the money away and then give it back to them to create jobs.

It is an arrogant philosophy when one directly tells business people through these tax measures that government knows better than they do how to create jobs in their businesses and where they should be investing their money. I am opposed to that, and I think the people of this country were finally able to see the disasters to which the Trudeau-MacEachen budget of 1980-81 led.

Since that time the federal Liberal government of the day, which introduced that budget, backed off and realized it did not work. Sure, there were world pressures at the time and there were other problems, but even the Liberals in Ottawa recognized that there were errors in their ways and that some of the measures designed to allow business people to keep money—not free from tax; the only way the money was free from tax was if they invested it—created more jobs. They expanded their plants, they hired more workers and they grew. If they invested the money in the economy of the country—in this case, in the economy of the province—then somebody else paid the tax. When they took the money out, they paid it. The new workers they employed paid taxes. The goods they bought to expand generated taxes.

That type of activity has created jobs in Ontario. That type of activity was stimulated in the budgets of the member for Muskoka (Mr. F. S. Miller). Those types of measures have worked in the budgets of the former Treasurer, the member for St. Andrew—I have to start to learn where everybody is from. Mr. Speaker, you can correct me and tell me the riding he is from.

Mr. Foulds: St. Andrew-St. Patrick.

Mr. Harris: The member for St. Andrew-St. Patrick (Mr. Grossman).

Basically, the theme of those budgets and of the federal budgets since the disaster of the MacEachen budget was that business people themselves know in their own various businesses what will create new jobs, what will allow them to expand and what will allow them to grow. That is why I do not like the term "tax holiday."

What we said in those budgets was: "Provided you spend the money to expand your plant, provided you spend the money to create new jobs and provided you expend the money for the good of the economy, you will not have to pay tax on it at that time. If you take the money out, you pay tax. If any individual benefits, he pays tax."

What we have now is a move in the other direction. We are saying, "We are now going to tax the small corporations 10 per cent." Yes, there is a little bit of forgiveness for new businesses, the ones that are not very often in a taxable position in the first three years. Quite frankly, it is better than nothing.

What we have in this budget is a move in the other direction, a move back to the Trudeau-MacEachen style of budget, in which the philosophy is, "Government will take this money from you, and then if you are good little boys and do what we say we will give it back to you." Of course, in collecting it and in civil servants handling it, by the time it comes back out, we start with \$1 and we may get 10 or 15 cents back into the economy. That is one of the reasons I am opposed to this bill.

4:10 p.m.

The second reason I am opposed is what this government campaigned on, in my recollection very strongly. The Liberals agreed during the campaign, when they went to the people of Ontario, that corporations should be able to keep the money if they created new jobs. At the time, our position was the one I have stated, that the corporations can keep the money if they create new jobs or if they invest in the plant or keep the money for reinvestment in the company.

However, the party now governing, the Liberal Party, and the now Premier said: "No, we do not agree with the Conservatives all the way, but we do agree with them that the corporations should be able to get a tax credit for that 10 per cent, provided they demonstrate that they have created jobs." That was their commitment to the people.

I am opposed to this bill for what is not in it as well, because that commitment to the people is not in this bill. That commitment to the people is not in this budget. Half a measure is better than no measure at all. Why is it not in here? I believe it is not in this bill because of the same socialist philosophy that the government knows better. They say, "We will collect the money, then we will come up with a job creation program and we will give it back to them that way."

There are two or three things wrong with that. First, the job creation money in this budget

appears to be less—possibly it is the same in dollar terms, but certainly it is less when one talks about inflation—than we had in former budgets. The job creation money, the training money, any of those funds—when we roll all those programs together from our previous budget and from what was there and take that base, there is no new money there. They have grabbed the money, and they have broken their commitment to employers that they would give them a tax credit to create jobs.

Obviously, there is something coming in the future. I am not sure what it is, but I suspect they have taken that money and they will come up with some other program. They will end up giving back 10 cents or 15 cents on the dollar by the time the civil service gets it and they have committees. The Minister of Northern Affairs and Mines (Mr. Fontaine) will have his regional meetings, and they will go all around northern Ontario to get input from everybody and will pay all the expenses. They pay the expenses of collecting the money and they pay the expenses of delivering the programs.

For some reason or other, this government thinks it knows better than employers how to create jobs. It knows better than small business people what it should create, and it will come up with a great program to entice people to create jobs. For the same reason I am opposed to the 10 per cent tax on small business, I am opposed to what is not in this budget. There is no tax credit for employers to create jobs.

There is a hidden type of thing—I hope that is not unparliamentary; when I explain myself, I am sure it will not be. There is a hidden little tax measure in this bill that bothers me. It is the elimination of the three per cent inventory tax credit. When I say it is hidden, it is hard even to find it in the bill. As I read through the bill, it took me a while to find it, even though I saw it in the budget.

I give the Treasurer credit for mentioning in his budget that, effective for taxation years of corporations ending after the date of royal assent to enabling legislation, for taxation years including that date, the inventory allowance will be prorated on the basis of the number of days prior to and including that date. It was in the budget document, and when one gets to the bill, it is section—maybe the Treasurer can find it for me; I had trouble finding it earlier.

Hon. Mr. Nixon: The inventory allowance is subsection 3.

Mr. Harris: Where is it?

Hon. Mr. Nixon: Subsection 6(3) on page 4.

Mr. Harris: Yes. "Inventory allowance disallowed."

A lot of businesses, particularly small businesses, will not even realize this tax grab is in the budget until it comes time to file their income tax returns. This was a measure the NDP would call a loophole or a corporate ripoff of some kind. I believe it was designed to recognize that carrying large inventories costs a considerable amount of money, depending on the business and what it can borrow money at. Interest rates are now at 10 to 13 per cent. Back in the days when interest rates were from three to five per cent perhaps it was not as significant an item, but today it is still a very significant item.

We want to encourage businesses to maintain their inventories so they can maintain the viability of their businesses. That is what keeps their employees employed and the wages flowing. That is what keeps them ordering cars, if they happen to be car dealers. It is a pretty well known fact in business that one has to have a product to be able to sell it.

What this measure does is discourage businesses, particularly the small ones that have difficulty in passing on the costs, from maintaining the proper inventory they need to run their businesses. It is sneaky, because they will not know it for another year until they file their income tax returns.

I should point out that I am a former small businessman who thought he could stay in small business and do this job at the same time and found out both are full-time. I am not sure I made the right choice, but for some reason or other I am still here.

I have mixed feelings when I see the budget we are faced with today and bills such as this. Perhaps it is just as well I am here in the Legislature with my guaranteed salary, guaranteed at least for one year, six months or whatever, so I do not have to worry about a government coming in and grabbing more money away from my business.

It is another piece of money I presume this government for some reason or other feels it knows how to spend better than the small businessman. It feels it will be able to create jobs better than the small businessman and will be able to set the priorities for the small businessman. If any money is left after they go through the administrative bureaucracy of creating new programs to figure out how they are going to have the giveaway, they will give whatever dollars are left back to business people.

This bill is part of a budget that intentionally takes money out of the economy. The prediction of the Treasurer in his budget is for growth of 2.4 per cent. I acknowledge the years of growth of 6.5 per cent and 4.5 per cent were on a smaller base. We did go through a depression after the Trudeau-MacEachen budget. We did have problems in those days. However, things started to turn around once governments south of the border, in Canada and in Ontario recognized that if they left the money with business people they would make things happen and create jobs.

I was appalled yesterday or the day before when I heard the Treasurer say in this House that five per cent growth was not good for Ontario. He said: "We cannot handle all this growth. We cannot handle all this job creation." I do not know why he would say something like that, but he said it was not good.

Hon. Mr. Nixon: Maybe it is because I never said it.

4:20 p.m.

Mr. Harris: If the Treasurer checks Hansard, he will find that the comment was that we cannot handle this growth. Our leader pointed out that this province has handled five per cent growth year after year.

What does this growth do that we cannot handle? It creates jobs. It puts people to work. It generates economic activity. It is the backbone of what allows the Treasurer to get the increased taxes through the activity created; but if one takes the money away first and stifles the activity, then one has a problem because the activity is not created. Then in the final analysis, as was proven with that socialist budget of MacEachen and Trudeau, the money is not there for the programs either.

Concerning the 2.4 per cent growth, the Treasurer has indicated that some of it is a general slowdown. I submit that a large part of that economic slowdown—I do not know what part, because the Treasurer will not answer the questions in the House—is a result of taking money, pulling it out of the economy and pulling it away from those people who create jobs and who get the economic activity in this province going.

Let me move on for a moment to the tax depreciation allowance. What is that one called? Under the heading "Capital Cost Allowance: Property Acquired in the Year," the budget says, "The Corporations Tax Act will be amended to parallel the half-year rule of the Income Tax Act (Canada)."

It sounds good because we are doing the same as the federal government. The federal government brought that in—what year was it? Can the Treasurer help me? Was it 1981?

Hon. Mr. Nixon: Yes. We are the only province that has not paralleled it.

Mr. Harris: When we get to the sales tax, we will want to talk about the only province that has a tax on the gold coin, too. We will get to that when we get to it.

I agree we were the only province not to parallel the federal move. We were the only province that very responsibly left money in the hands of those who create activity and jobs. The Treasurer will find, if he looks at the past year or two, that there was a net loss in jobs in every province but Ontario. When one looks at the jobs created during the past two years as a direct result of the budgetary practice of the former government of leaving money in the hands of small business people, those jobs were created here in Ontario and the other nine provinces had a net loss of jobs.

Mr. Foulds: They are all Tory governments too.

Mr. Harris: We have a Tory government in Ottawa that has seen fit to leave this on, and I am going to speak against that, too. I happen to be elected to serve the people of Ontario.

The Treasurer has rationalized this capital cost allowance and basically has said it is fair because if somebody buys a piece of equipment in the last quarter of the year, he should not be allowed to get the depreciation on it throughout the year. He is going to allow a half-year write-off.

How is this fair to the person who buys a piece of equipment in the first quarter of the year? He lays out the money in the first quarter and yet he gets depreciation for only six months, although he might have laid out the money for nine, 10, 11 or almost 12 months of that year. I do not think it is fair to those people.

What concerns me as well is that it generally tends to have businesses that want to reinvest in new capital equipment slow down that process. They say: "Whoa. We are getting only half a year here. We will wait until the last half of the year before we buy this piece of equipment, before we expand our plant, before we invest money to create the jobs and wealth this province needs."

I personally have no difficulty in opposing this measure. Our government opposed paralleling the federal government in 1981. We opposed it in 1982, 1983 and 1984, and we will oppose it in 1985. How did we oppose it? Obviously, we opposed the federal government leaving it in the

way it is now. I do. We oppose this measure in the Treasurer's budget. It is a tax grab. It is another one of those measures—I have mentioned three, four or five others—designed to take more money from these corporations.

What is special about this one is the net effect of it. These businesses and these companies will probably defer expansion or defer capital purchases. I can only assume, and I think the Treasurer is a pretty sharp fellow, that he knows that. He is not uncomfortable, on top of all these other measures that are contained in Bill 45, sending that message out to the businesses, to the people who generate the wealth we need for our social programs.

I have gone on longer than I intended. There was even more to this bill that I did not like as I started to look at it. Let me conclude my opposition to this bill and the sections of the bill I have mentioned by once again reaffirming that there should be no mistake out there in the business community that the direction this government wishes to go is to grab the money first and tell the business community, those small businesses, that it knows how to create jobs better than they do. It is going to grab the money, take it through the bureaucratic system and spit back whatever is left. I do not know whether that will be 15 cents or 25 cents.

I do not think that is the way to create the wealth we need for the social programs. I think those little business people out there know far better than this Treasurer or than the Ministry of Treasury and Economics where they should be spending their money to create the jobs and to expand, and where further businesses should grow.

It is typical of the Trudeau-MacEachen budget, as I said. It was wrong then and it is wrong now for Ontario. I am surprised this Treasurer brought in a budget that would lead to a Bill 45 like this.

I said in the House before and I will say it again that this is not the member for Brant-Oxford-Norfolk (Mr. Nixon) I used to know. The member for Brant-Oxford-Norfolk I got to know here between 1981 and 1985 seemed to be concerned about tax increases, about the business community and about job creation. He seemed to be concerned about these issues. That is why I said at that time that what else bothers me about this bill and about this budget is where it came from.

Did it come from the accord? Is it the leader of the third party's budget? Is it his bill? Did it come from the same people who designed the budget

that threw this country into disaster in Ottawa? Those people who designed that disaster in Ottawa now are here in Toronto breakfasting with the Treasurer at every opportunity, meeting with him at his farm, I am sure. Those are the people who led this country down that slippery slope of disaster from 1980 to 1983.

4:30 p.m.

I see the same signs here in Ontario. I know it did not come from the Treasury officials. After the last 42 years, I believe they know what makes this province work. It came from the Treasurer or from somebody who forced the Treasurer into an embarrassing budget that led to Bill 45. I believe it will stifle economic activity in this province. It will stifle job creation and, therefore, stifle the activity we need to collect the money we need for the social programs all three parties in this House agree are important.

The income tax rate increase is on page 27 of the budget. The reason I am here is that I cannot find it in the bill. I admit I am not a lawyer and I have trouble finding the section of the bill it is actually in. I am sure the Treasurer will tell me. Is there anything in here on manufacturing, logging and everything? Is that under the Corporations Tax Act? I assume it is. He has not nodded yes or no, and you have not ruled me out of order, Mr. Speaker.

There is a tax rate increase on mining. Is the Treasurer telling us the mining industry is in a healthy state in Ontario?

Mr. Warner: Is the member telling us they should not pay taxes?

Mr. Harris: No, I think they should pay taxes; but is this the time to increase taxes, when the mining industry is having a pretty rocky time? The logging industry is not generating a lot of activity either. Jobs have been lost in my community in North Bay, in Nipissing, in Sudbury and in Thunder Bay as a result of the difficulties the forest companies and the mining companies are having.

Jobs have also been lost in the farming community. I do not know how much money is being generated by this increase of 0.5 per cent on fishing, but it bothers me to see mining, logging, farming and fishing singled out for tax increases. That is not the member for Brant-Oxford-Norfolk I used to know.

Mr. Speaker, in case you have not gathered, I am opposed to many of the sections in Bill 45.

An hon. member: Did the member not find anything good in it?

Mr. Harris: There must be something good in it. I am sure the Treasurer will tell us about them.

Hon. Mr. Nixon: The member for Wentworth (Mr. Dean) said there was and he is a reasonable critic.

Hon. Mr. Scott: There is the courthouse for North Bay.

Mr. Harris: Can the minister show me the section? I want to vote for that one.

Hon. Mr. Scott: It is not actually named, but it is there.

Mr. McCague: I am pleased to join in the debate on this bill. I have a little problem on the revenue side on page 33 of the budget. I have not quite figured out yet why the Treasurer is going to have a negative \$15 million less income in this fiscal year. Maybe when he makes his remarks he will address that.

The biggest problem I see with this bill is the effect it has on those on whom it is designed to have an effect. He is taking in a full fiscal year an additional \$205 million from the corporation tax, as I understand it. Some of that money could have been better invested by companies in job creation. It would not have been so bad if he had taken this measure and if he had also taken some other measure to employ women and people who are out of work because of plant shutdowns or whatever.

I will admit, as I did before, that the Treasurer appears to have done a good job in the youth employment end, but he stops there and appears to have gone no further. It is entirely wrong to take this kind of money away from people who have been known to create jobs and not to have something to compensate for it in the budget. I can understand the Treasurer—and we are addressing him now as Minister of Revenue—would not have thought for a minute a year ago today that he would ever be in the position of having to prepare a budget and defend the actions he took in this House.

This bill is only a very small part of the \$754 million he is taking from the people in increased taxes. As we have said, of that \$754 million, \$205 million is coming directly out of corporations in this tax. It was a bad move to increase this in section 13 where he goes from 15 to 15.5 per cent.

He does not provide any incentives to the corporate sector to undertake the kind of investment and expansion activity that is needed to sustain employment and economic growth. On the contrary, the provisions of this bill, in conjunction with other budget measures, explain

why our rates of job creation and economic expansion will decline in the coming year. The best thing that can be said for the bill is not what it does relate to but what it does not relate to.

Noticeably absent from this bill, the budget, and apparently from this government's economic agenda and programs, is the \$100-million tax credit program for small business which was promised last April. We must suppose the small business tax credit has ended up in the same file as the \$200 million promised as a sales tax break, the doubling of the child tax credit and the \$100 per household tax credit for northern families.

We welcome the fact the government has seen fit to follow the lead of the federal government in the small business tax simplification. Efforts to reduce costs and paper burdens, the area of compliance, must and will be supported by all parties. However, we regret the government has seen fit to eliminate the three per cent inventory allowance as a deduction from income. Representatives of the small business community have noted this is a most useful and helpful provision which will be sorely missed.

The increases in the general corporate tax rate to 15.5 per cent and in the tax rate for resource companies to 14.5 per cent are wrong and should not be passed. The Treasurer has projected corporate profits will be up by 8.2 per cent before taxes this year and 6.5 per cent before taxes next year. The government's proposed tax increases will mean the corporations will have less of these profits to invest in job creation, expansion and technological upgrading.

The Treasurer's budget makes note of the fact that Ontario is a trading economy—indeed, a world-class trading power—but the tax policies of his budget will do nothing to enhance the competitive position of Ontario's firms in either the domestic or international markets.

No doubt the Treasurer is aware of what people are saying about his budget. Les Solomon, tax counsel, Canadian Organization of Small Business, said, "Ontario is spending too much." That has been said many times over many years. Mr. E. A. Thompson, chairman of the Ontario division of the Canadian Manufacturers' Association said, "The Ontario budget is a revenue grab that will erode the competitiveness of industry and thus frustrate efforts to create jobs."

Judith Andrew, of the Ontario branch of the Canadian Federation of Independent Business, said the federation is unhappy "over the loss of incentives for venture capital and the loss of the

three per cent inventory allowance in corporate income tax."

4:40 p.m.

Allan Lumsden, chairman of the finance and taxation committee of the Ottawa-Carleton Board of Trade, said he had expected to see tax incentives to create jobs and to encourage reinvestment of profits in Ontario. Jim Wright, Ottawa tax partner of Peat Marwick, chartered accountants, said the provincial Liberals had done what the federal Tories were afraid to do in the first budget. They hit everyone hard with tax increases so that later budgets nearer the election could be more appealing to the voters.

While the New Democratic Party seems to laud this bill and the budget, they are no doubt aware that organized labour in the city of London is saying the Treasurer has given working people in Ontario a nothing budget. Others suggested in the Kingston Whig-Standard, and I must admit I am quoting a particular sentence, "The extra revenue anticipated far exceeds the amount needed for the programs announced in Thursday's budget." What is the Treasurer going to do with the rest of the money he is raising through bills such as this?

The Hamilton Spectator says, "The double whammy of tax increases, first from Ottawa and now from Toronto, could stall the recovery which is helping to restore confidence once again."

Again, in the Peterborough Examiner I am just taking a sentence. It could all be read, but I am sure the Treasurer has read this, "But that leaves a lot of loot with which to woo voters when the minority government inevitably calls an election." I am sure the Treasurer would want to deny now that was a good editorial, or is that the reason we are dealing with this bill and that we are raising \$754 million more in this budget?

Then in the Sudbury Star, a very important part of the province, "There is no incentive to create jobs, start new businesses or develop new products."

As previous people speaking on this bill have said, for the reasons set out, we are unable to support it.

Mr. Andrewes: My colleagues have eloquently alluded to what is popularly known in the small business sector as the tax grab, and my colleague the member for Dufferin-Simcoe (Mr. McCague) has certainly eloquently illustrated the public's perception of that tax grab.

What concerns me about this bill that is before us for debate is that it takes dollars away from that sector of the economy in which most of the

jobs are created. I think even the Treasurer and his colleagues in the Liberal Party would accept that premise. It takes dollars away from that sector without providing a stimulus or a creative job manufacturing program for the small business sector.

I recall during that great campaign of last March, April and May—and you, Mr. Speaker, may also recall those occasions—when commitments were made on the part of the three political parties contesting that election with respect to the small business sector. Though I do recall elements of those commitments made by the Liberal Party, I do not see them put forward in this legislation.

I resent certain comments made by the members of the New Democratic Party which suggest the corporate sector of our economy does not pay its toll, does not pay its way. It seems their perception of corporations is that they simply strip the economy of profits, returning those profits to the shareholders, and ignore the corporate and the social responsibilities. That is a fallacious argument. It is a wrong argument. It is incumbent on those members of the NDP as a party and as citizens in this province to see through that fallacious argument and to speak out against the kinds of moves the Treasurer is undertaking in this legislation.

Mr. Eves: I would like to make a few brief remarks with respect to the small business sector in the Ontario economy. As has already been expanded upon at some length by my colleagues, some of the corporate tax measures in the current budget are going to be very detrimental to small business in Ontario. Anybody who has been in small business knows what the inventory allowance means to a small business person in Ontario. He also knows what capital cost allowance treatment means to the small business person in Ontario.

If the current Treasurer is truly concerned about the capital cost allowance provision and the abuses that may or may not occur—in other words, whether one really owned a capital asset that one wanted to depreciate for the entire year—then surely he could do better than just to adopt the federal government's rule of allowing half the allowance. If he truly wanted to be equitable about this and if that was his line of reasoning, he would prorate it to the number of days in the year one owned the capital asset one wanted to depreciate.

However, I think the capital cost allowance provision and the inventory allowance provision as they now stand provide some incentive to the

small business person to invest in and to keep on reinvesting in his business, and this really creates jobs and keeps people employed in Ontario. I do not think any party disputes the fact that small business provides nine out of every 10 jobs in Ontario. Small business creates thousands of jobs every year in Ontario.

We also have in the current treatment of Ontario corporate income tax a change in the approach, or even a change, I think it is fair to say, in the definition of what small business is in Ontario. It is one thing to eliminate corporate tax for the first three years of a company's existence, and those in the House who have been in business for themselves, especially small business, will know that very seldom in the first few years of a company's existence are any great profits made in the first place.

It is important to keep the definition of small business as we now have it, as it is treated by the federal income tax and so should be treated by the Ontario income tax. Our party has always believed in the small business sector of the economy and we have always worked to encourage and support this sector of the economy. I do not think that is the example the current government is following with its present budget and this tax measure.

If we look at the election campaign of last May 2, some of the programs that our party was proposing would have encouraged new investment in small companies. The elimination of provincial corporate income tax on small business as long as the income was reinvested in the company would have returned about \$325 million a year to the small business sector, after allowing for a new profits distribution tax applied to earnings not invested in the company. This exemption applied to the first \$200,000 of income earned by independent Canadian-owned and controlled private businesses. In this program only companies with paid-up capital under \$1 million were eligible.

The Liberal government has changed the ground rules for small business in Ontario with its budget. As I said, not only has it changed the definition of what constitutes small business, but it has taken away some key advantages that small businesses in this province have enjoyed. As my colleague the member for Nipissing (Mr. Harris) noted, small business people know what the three per cent inventory allowance means to them. They certainly know what it means to them when they fill out their income tax returns.

It changed the rules for capital cost allowances, which may have been abused by some but

which for others were a very important and necessary tax provision.

4:50 p.m.

The Conservative Party, through its enterprise programs, would have provided small business with greater access to investment funds and Canada's employer pension plans for the purpose of creating new growth and new jobs in Ontario. A small business commissioner was to be established by Enterprise Ontario to cut through red tape for small businesses, and measures established to improve the information flow to people interested in starting a new small business.

The purpose of these measures was largely to stimulate employment, which small business does better than any other sector of the Ontario economy. Young people, women and members of minority groups usually get their first work opportunity from small business. It is a very key thing that the government of Ontario continue to support the small business sector. That support seems to be somewhat lacking, to say the least, in this budget.

The budget does not make up for this neglect of small business by introducing job creation measures of its own, especially for people over 24 years of age. That is a very important omission in this budget. That was certainly not the case under previous Conservative governments. As alluded to by the member for Brantford (Mr. Gillies) earlier this afternoon, this is the first budget in many a year in Ontario that does nothing for job training and retraining programs for people over 24.

What we need is a comprehensive skills development strategy in this province that includes the creation of a Ministry of Skills Development and provides for special opportunities for women, part-time workers and those in rural areas as well as older workers. This approach has been entirely abandoned in this budget. There is no mention of training or job creation for workers in our province who are 24 years of age or older. There are no new programs to address their needs.

There are no new programs for small businesses that would indirectly address the needs of these people in our society today. Rather, we see a budget of tax increases that impact directly on the small business sector. My colleague the member for Nipissing has highlighted these tax increases and the impact they will have on small business in our province.

It is important to bear in mind this is one crucial way in which our party and the Liberal

Party of Ontario greatly differ. We believe in the small business sector in the Ontario economy and we believe in its job creation abilities. Judging from the current budget and the current tax measures as a result of that budget, the Liberals do not appear to have any new ideas to create jobs for Ontario.

Hon. Mr. Nixon: I appreciate the comments made by the members, most of them critical, yet in many respects constructive. I want to respond to specific questions that were asked. Of course, I ask the members of the House to support this bill, which we think is fair, equitable and eminently supportable.

The member for Wentworth indicated he supported the concept of simplification in the tax returns for small business. I appreciate that. It is costing us \$50 million in Ontario to parallel the simplification measures.

One of the members—it may have been the member for Dufferin-Simcoe—asked why the tables on page 33 indicate a net loss in revenue from the action of this bill in this fiscal year. I think it is most readily explained by saying that the cost of simplification, even for the remainder of this year, is \$50 million.

I bring that to the attention of the member for Parry Sound (Mr. Eves), who just sat down, indicating something that cut me to my heart. He said we are not interested in the plight of small businessmen and do not seem to appreciate the role they play in our economy. In fact, the opposite is the truth. The \$50 million that it cost the province to give the simplification will mean 120,000 small corporations in Ontario will have their returns simplified to the point they do not really have to make a return and do not have to pay the \$100 fee.

In most instances, the minimum tax is billed as a matter of course and automatically by the very efficient Ministry of Revenue. In almost 100 per cent of the cases, a cheque comes back for the minimum payment. Naturally, they have the right and alternative to make a fuller return if they see fit to do so, but this simplification is not just a line in the budget; it costs us money and really means small businessmen have a special benefit.

In this connection, I would say it is true we do not intend to forgo that revenue. We feel if the simplification for small business involved in this bill is going to cost the taxpayers of Ontario money, then the corporate sector should pay the cost. That is why we put an additional 0.5 per cent on the tax rate for ordinary corporations, that is from 15 per cent to 15.5 per cent, and for special corporations from 14 per cent to 14.5 per

cent. However, small business remains at 10 per cent and does not pay any more.

I would say to the member for Parry Sound, there is a clear advantage to small business here of approximately \$50 million; and to the member for Dufferin-Simcoe, who asked about the apparent loss in revenue, the apparent loss is a real reduction in revenue for the remainder of this fiscal year. The half-year convention will net us more than \$15 million; the inventory allowance another \$15 million; the rate increase, in other respects, \$5 million; but simplification costing us \$50 million means there will be a reduction of \$15 million.

Over a full year, and I point this out to the member for Wentworth, who did not know what the full-year implication was, there is a net revenue gain of \$205 million on an annual basis. I bring his attention to the table on page 33 in the budget papers. The information is there and we want to be sure all members are aware of it.

The member for Wentworth also brought to the attention of the House, as did other members, the three per cent inventory allowance which is removed. This is certainly an important change, as has been pointed out. I can well remember when it was introduced in the House, I believe about 1977, at a time when inflation was very high, but more than that rising very rapidly.

If inflation is high and fairly stable, then high prices look after any dislocations that may apply in big business, small business or even in the household where one is paying one's own bills and presumably one's income goes up with inflation as well as one's expenses. However, when the rate of inflation is changing rapidly, as it was in those days—I think Mr. McKeough was the Treasurer—it was deemed proper to have the three per cent allowance, which was a federal initiative, apply in Ontario.

In those days, the inflation rate was changing as if we were in Montevideo, Buenos Aires or Rio de Janeiro, by many points per month or per year. We are very pleased at the fact that inflation has reduced substantially to four per cent—I wish it would go lower—and we have stability. We do not have the volatility of those previous years when changes, particularly upward changes, were so rapid and dramatic. In other words, the *raison d'être*, as we say in Brant county, for this allowance no longer exists and we feel the rationale that allowed it to be granted in 1977 is now just as legitimate when the special allowance is removed.

5 p.m.

The member for Wentworth also referred to the partial-year capital cost allowance, and we were criticized for paralleling the federal initiative in this regard. It does not seem sensible for a business or anyone else to buy something associated with the productivity of the business in the dying days of the year and get the full capital cost allowance. The federal government in its wisdom—and this is questioned by some of the honourable members on both sides of the House—has seen fit to have a half-year capital cost allowance, which does not seem unduly unfair. We thought we would parallel this particular situation since we are the only province remaining in the old process. In so doing, there is an increase in revenue, which we have put to good use.

I was particularly interested in the comments made by the member for Port Arthur (Mr. Foulds), who referred to the balance of personal income tax and corporation income tax. I have more of a sympathy with his view than that expressed by some of the members of the official opposition. The Leader of the Opposition (Mr. F. S. Miller) in particular indicated there should be no corporation income tax at all and that when the money is disbursed to the shareholders or the people who receive salaries from the corporation, personal income tax would look after that.

As a matter of fact, there is a movement in the province—and probably the main spokesman is in the city of Brantford—which has a view that indicates there should be no property tax at all; that the ownership of property no longer is an indication of the ability to pay and that the tax should be put on personal income only. All those arguments have a certain superficial and active interest until one realizes we are a long way from that Utopian approach to taxation.

The best approach is that our revenues have to be based on the broadest possible spectrum of tax measures which can be reasonably understood and which can be seen by reasonable people to be fair and equitable. For that reason, I cannot agree with the Leader of the Opposition that we ought to be moving to abolish corporation income tax. I feel more sympathy with the view that corporation income taxes and personal income taxes should be in some sort of balance.

Once again, there is a bit of a delusion there when one realizes that corporations make their profits only when they sell their services or their products to the consuming individuals or to other corporations and so on down the line. It is more of an interesting point for political scientists,

such as I and the member for Port Arthur, than for all members.

The share of tax between individuals and corporations has changed. Going back to 1977, it was about 63.7 per cent for individuals and 36.3 per cent for corporations. Last year, 1984, the 63 per cent for individuals went to 66 per cent, and the corporations' share went from 36 per cent down to 33 per cent. This year's budget reverses that—not dramatically, but it does reverse it—so the individuals' share goes from 66 per cent to 64.8 per cent, and the corporations's share goes from 33.4 per cent to 35.2 per cent.

The former leader of the New Democratic Party, Donald MacDonald, in writing a critique of the budget, made much of the point that individuals still pay far more of a share than corporations. That is true. I have a feeling they will continue to pay a larger share, but at least the trend has changed in this budget. I do not apologize for that. It was, for me, a deliberate decision, and it was not dictated over breakfast in the Park Plaza Hotel by any of the friends of the former Minister of Energy.

Mr. McCague: We did not say that.

Hon. Mr. Nixon: No, the members did not say that.

I was particularly interested as well that the former Treasurer, the present Leader of the Opposition, undertook to enter the debate. I have a very high personal regard for him, and he makes no bones about the fact that he is a Conservative. He may be a Progressive Conservative, but one does not normally apply the adjective to his political train of thought. I did not feel like applying the adjective "progressive" to what he had to say today, but that does not mean the members of the Legislature were not intensely interested in what he had to say. He pointed out clearly the importance of small and big corporations in job generation and the necessity for this House and this government to see to it we have an economic atmosphere that will encourage corporations to establish and begin in this jurisdiction, and then to grow, make profits and pay taxes.

I believe that if a corporation makes profits it should pay taxes and that the tax preferences established federally and provincially over the years ought in general to be reduced towards the point of elimination where there is a smaller tax on the overall profit. On the other hand, from year to year, certain preferences are seen to be useful in the policy of the government of the day. While they are often referred to as loopholes, handouts or scams, they still are the result of decisions taken by governments, federally and

provincially, to encourage corporate activity along certain lines.

The member for Port Arthur has repeated his call, made also by his leader and others, for a more comprehensive approach to tabling information on these tax expenditures; in other words, the actual cost to the revenue of the province of these loopholes, tax preferences or whatever one calls them. When the question was asked some time ago, I indicated we would be pleased to provide, privately or publicly, the best information we have on the specific preferences that might interest the Treasury critic, the Revenue critic, the leader or anybody else in this House from any party. I have discussed it on more than one occasion with the officials of the Treasury, and I feel we ought to be moving towards providing the information as a part of the budget.

There is, however, a view that almost anything that is not taxed can be construed as a preference and that for us to think of all the things that could be taxed and to indicate to the House or an inquiring critic the specific cost is probably a chore that is not going to fill the need. I think it is much more practical for individual members to ask me in Orders and Notices or at any other time to give them the information, or even to phone the officials of Treasury. This is an open government and information is readily available to anyone who asks for it.

For example, I refer to the fact that we tax small businesses at the 10 per cent rate rather than at the ordinary corporate rate. That is an expenditure of \$190 million. If we were to apply the full corporate rate to all businesses, we would have additional revenues of \$190 million, but on the other hand we would not be providing the benefits to small business. I have already indicated that by paralleling federal simplification procedures, we are giving them an additional preference, if one wants to call it that, of \$50 million.

It is also true that the corporate income tax for manufacturing, farming, fishing and so on is one per cent lower than the normal rate; that is a corporate tax expenditure of \$55 million. It is well spent in my view, although in the comments made by the whip of the Conservative party, I believe, when he said we were not taxing farmers, fishermen and other people who should not be taxed at all, the indication was that we were not doing them much of a favour. The tax preference cost there is about \$55 million.

I know the New Democratic Party is not satisfied with this answer, but we are prepared to use the resources of the Treasury and the

Ministry of Revenue to provide information that the members think is relevant. It is difficult for us to know which aspects are relevant. If the honourable member wants to make a list and put it on the order paper, we will give him any information we have that is available.

5:10 p.m.

The member for Cornwall (Mr. Guindon)—I was glad to hear him join the debate—mentioned eastern Ontario. I can assure him that as the discussions on the budget went forward, the question was often asked by myself or others: “How does this affect the north? How does this affect eastern Ontario?” Sensitive, thinking politicians will quite often ask, “What is this doing for the north?” and forget that some of the same economic difficulties apply to other areas away from the central industrialized part of the province.

There are specific references in the budget to programs to improve business opportunities in eastern Ontario. The honourable member will have read them. They may be insufficient, and he may be well within his rights to criticize me for not being more generous, more sensitive or more open-handed, but a judgement has to be made in that connection.

Did the Guindons used to have a fuel business?

Mr. Guindon: Still do.

Hon. Mr. Guindon: They still do? Here is a real small businessman, or maybe he is not so small, who has some day-to-day interest and concern about the application, and certainly his addition to the debate was most welcome.

I have some comments I want to make about the member for Nipissing, who joined the debate in a rather effective way. It is amazing how changing circumstances change circumstances. Here am I defending a budget, something I did not think last year I would be doing this year, and the member for Nipissing undertaking a savage attack on its inadequacies. I intend to be complimentary to him, because I feel he does a good job. I do not agree with anything he says in this regard, but he says it so well.

The argument about taxation working against the good democratic concept, even the populist concept of leaving dollars in the hands of the sensible businessman who could then spend them all to make jobs and improve the economy rather than something else, is a speech I seem to have heard before. It was a little more effective the last time I heard it, but I assure the member the points he makes are ones I feel should be put here.

He referred to some aspects of the budget as being hidden. To tell the truth, when one opens

up this tax bill, it is a very confusing matter. I have a good deal of sympathy, because one finds oneself essentially going back to the references in the budget for the overall impact of the specific bill and basing comments on that. For members to dig into the bill and actually base their comments on that is very difficult but worth while.

It is an extremely important bill. Although it reduces our revenues in the remainder of this fiscal year by \$15 million for reasons I have tried to explain, in a full year the revenue increase is \$205 million. I call that a rational and balanced increase in the corporate share of our revenues. My opponents refer to it as a tax grab. I used to use that phrase and they used to use mine; so perhaps they are interchangeable in meaning.

We know this budget increases revenue. There is no doubt about that. We feel it is necessary to fund programs not earmarked for business improvement but certainly extending and directing towards business improvement, job opportunities, training and retraining people 24 years of age and under as well as those 24 years of age and over. One need only look at the increased funding for universities and colleges to realize these centres of training are going to be more important as we become more competitive in the world trade situation.

There are other matters I should refer to, but I will not bother with them at this time. The bill is well drawn by the officials of the ministry. We believe it is eminently defensible and fair. We believe the impact of these revenues will not result in job losses, but just the opposite, since they are used to fund expanding programs that were in place when we took office and new programs that we feel are designed to improve the economy of the province and to improve the opportunities for our people.

NOTICES OF DISSATISFACTION

The Deputy Speaker: Before dealing with this matter, may I advise the House that, pursuant to standing order 28, the member for Fort William (Mr. Hennessy) has given notice of his dissatisfaction with the answer given by the Minister of Natural Resources (Mr. Kerrio) to his question concerning tree planting contracts. This matter will be debated at 10:30 this evening.

Also, I would like to advise the House that, pursuant to standing order 28, the member for Sault Ste. Marie (Mr. Morin-Strom) has given notice of his dissatisfaction with the answer given by the Minister of Natural Resources to his

question concerning tree planting contracts. This matter will be debated at 10:30 this evening.

Hon. Mr. Nixon: Before you put the question, sir, may I inform you that by agreement of the House leaders, if in the unlikely event there is a division on a bill such as this one or one like it, it is agreed the actual vote will be taken, with your concurrence, after 10:15 p.m.

The Deputy Speaker: Are you moving adjournment of the debate?

Hon. Mr. Nixon: No. That process is done without further consultation with you. I believe we can undertake the vote without the adjournment mechanism that was used in the past.

The Deputy Speaker: Is there unanimous consent to that?

Agreed to.

The Deputy Speaker: Mr. Nixon has moved second reading of Bill 45. Is it the pleasure of the House the motion carry?

All those in favour will please say "aye."

All those opposed will please say "nay."

In my opinion the ayes have it.

The vote is stacked until 10:15 this evening.

INCOME TAX AMENDMENT ACT

Hon. Mr. Nixon moved second reading of Bill 46, An Act to amend the Income Tax Act.

Hon. Mr. Nixon: I have a brief opening statement on the bill. Bill 46, An Act to amend the Income Tax Act, contains amendments arising out of the proposals in the budget of October 24. It also includes some administrative and technical amendments.

The first budgetary measure being implemented is to increase the rate of personal income tax from 48 per cent to 50 per cent of the basic federal tax. The new rate will apply for 1986 and subsequent taxation years.

A second budgetary measure is a surtax of three per cent of Ontario income tax in excess of \$5,000 for the 1986 taxation year. The bill also provides for some administrative and technical amendments required by the tax collection agreement with the federal government to bring the act in line with the Income Tax Act (Canada).

Mr. Dean: There is not a lot that is good to say about this bill.

Mr. Gillies: Tell us what is bad.

Mr. Dean: All right. I do not intend to touch on the administrative aspects, assuming they are really necessary if we are to continue having a tax agreement with the federal government, which makes a lot of sense as it always has in the past.

The general increase in income-tax rates provided by the bill would take the provincial income tax to 50 per cent of the basic federal income tax from the present 48 per cent. Straight old mathematics would make it look as though that is a two per cent increase. It is a two-percentage-point increase all right, but it is really a four per cent increase in the amount of tax. I am sure the Treasurer (Mr. Nixon) recognizes that and is not trying to conceal it from anybody.

5:20 p.m.

An hon. member: Are you saying he is misleading the House in any way?

Mr. Dean: No. I do not think the Treasurer would intentionally mislead the House in any case.

We are talking about a four per cent change in tax as it affects him, me and everybody else in Ontario, compared to what it has been in past years. The result of this, naturally, is to make a considerable increase in the total revenues of the province, which are required because of the spending proclivities of government, especially in this budget where there are considerable expenses over last year's rates. According to the estimates that are included in the budget, \$321 million for a full year is the result of this change in tax.

In addition, as the Treasurer has mentioned, there is also a surtax of three per cent on any provincial tax beyond \$5,000. The effect of the basic income tax change is approximately \$33 per year for a family of four with an income of \$20,000 or \$72 per year for the same family with an income of \$30,000.

We could say that something in the neighbourhood of \$30 to \$70 is not a crippling amount, but we have to consider that this is on top of all the other tax increases that are provided by these bills. None of us really needs that additional tax increase to help us balance our own budgets. Revenue is where one finds it. The Treasurer has opted to find a large portion of it from the income tax.

My chief objection to the tax increase is that one questions the need for some of the other programs introduced in the budget which make this kind of increase necessary. I do not think this four per cent rate of take from everybody's pocket-book is something the province needs at this point, so we will not be supporting this.

Mr. Foulds: We will be supporting this bill with some reluctance. Nobody likes taxes and nobody likes increasing them, but my friends

from the right once again, if I may say so, are trying to suck and blow at the same time.

Mr. Gillies: He cannot say that.

Mr. Foulds: I cannot say that? My colleague tells me I cannot say that. They cannot preach fiscal responsibility, I say to my legislative colleagues, if not my friends, on the right, who are becoming increasingly right wing during the course of this budget debate. If the official opposition is going to talk about fiscal responsibility, its members should tell us how they would raise the taxes to deliver government programs.

They should tell us how they would raise taxes to wipe out the deficit which was their shibboleth. If they remember, I suggested to them during the last several budgets that if they really wanted to wipe out the province's deficit they could do it at one fell swoop. They could do it by opposing all the tax expenditures that I talked about on the previous bill. I admit that would be too disruptive to the economy of the province and probably too disruptive to their tiny little minds, but it is one way they could do it.

Nobody likes tax increases, but by and large, except for the last 15 years, the theory has been pretty good that personal income tax is slightly more progressive than the taxes the Tories were fond of raising, such as the Ontario health insurance plan premiums, the sales tax and so on.

My quarrel with the Treasurer, and the reason I have some reluctance in supporting this bill, is that he did not combine the increase in the personal income tax with other progressive measures to make the personal income tax more progressive. Let me outline a few statistics.

While it is a progressive move to introduce the surtax of three per cent on tax payable in excess of \$5,000, which largely means those with incomes over \$50,000 pay that surtax, he has not moved to establish a minimum personal income tax. He says he needs the permission of the federal government to do that. I would get there on my knees just as fast as I could to get that permission. What has he been doing for the last 42 days? Why has he not got that?

Second, there still are people who earned in excess of \$50,000 this year who will not have a tax payable of \$5,000. Those tax expenditures and loopholes, which allow individuals who have incomes in excess of \$50,000 to pay no taxes in Ontario, and I believe there are about 2,000 of them—

Mr. Pierce: There are not many of us left.

Mr. Foulds: The member for Rainy River (Mr. Pierce) is one of the few left who is able to

use those dodges. He volunteered that confession on the floor of this House.

Those loopholes remain. As well, the Ontario tax reduction enrichment was bumped up merely to \$1,630 from \$1,400 and not re-established at a level of \$2,000 where it was a few short years ago.

Hon. Mr. Nixon: Try not to say anything important for a few minutes.

Mr. Foulds: That is impossible. However, I shall try. I understand the needs of the Treasurer as he briefly leaves the chamber. I will repeat some of the things which are obvious to the Treasurer because of his budget but perhaps not to other members of the House.

Because he has not taken the steps to increase the Ontario tax reduction enrichment and allows some people simply to escape paying personal income tax, it means that, because of the distribution of income in Ontario, unfortunately, the bulk of the personal income tax revenue will still be generated from those who earn under \$30,000. That is still a scandalous and shameful reality of the taxation system established by the Tory government over the last 42 years and not yet truly reformed by the Liberal government.

We will give them this half a budget for half a year, but I am telling the Treasurer and his officials we put tax reform very high on our agenda, as I said in my budget reply. We were very disappointed we were not able to get that in specific terms in the agreement.

5:30 p.m.

It means the cost of this tax provincially for a married person earning \$30,000 is \$72 a year. If one combines that with the federal Tory budget—I emphasize the words “Conservative, Tory, Wilson,” as he is a friend of all those guys over there to my right—personal income tax for the individual will show an increase of \$200 in 1986.

Increasing the personal income tax without dealing with the tax expenditures, loopholes, giveaways, whatever one wants to call them, that allow the wealthy to reduce their taxable income makes the system regressive. We would argue that an increase in personal income tax must be accompanied by an enrichment of tax credits. I outlined in my budget reply how the tax credits have been reduced in actual value for the citizens of Ontario since 1975.

There has been an enormous reduction in the amount of value that people get from the tax credits. The Treasurer caught me off base during that debate and asked me why that was. I did not understand his question. The reason for that is simply inflation. The tax credits have basically

been maintained at a relatively stable level. Because of the inflation erosion, the amount that is of value to seniors, to property owners and to low-income people has been drastically reduced.

I hope the Treasurer's interjection was sincere and I hope he is genuinely planning to get these people more tax credits in the next budget, and also to get those who are not paying taxes in the next budget in order to plug some of those loopholes.

I want to speak briefly about the surtax. My budgetary reply was perhaps a little too complimentary to the Treasurer in praising him for calling it a surtax instead of a social assistance maintenance tax. There was something about the language of the budget I liked, and I stand by those words.

Over the next few months as we go towards the next budget, I would like to take a look at making some suggestions about the surtax floor. For example, the \$5,000 taxable income or the \$50,000 gross income may be too high and the rate may be slightly too low. We might look at establishing a balance that would give a little bit more than the \$23 million that the surtax—

Hon. Mr. Nixon: The member means a higher rate coming in at a lower level?

Mr. Foulds: A slightly higher rate at a slightly lower level. For example, \$23 million for a surtax on the wealthy—if I can use that term without being pejorative and I do not mean it pejoratively—is not a lot of revenue. It is better than a kick in the head, I agree. It is better than a tax expenditure. However, in terms of what we generally think of as a \$26-billion budget, to have the well-off in our society paying an extra \$23 million does not seem to me to be out of hand. In fact, it seems to be relatively painless.

I make those reservations with a very real plea to the Treasurer and to his officials to look genuinely at tax reform, particularly in the personal income tax, to make sure that it is the progressive tax that we assume it is. Since the days of the Smith committee in Ontario and the Carter commission federally, it has become less progressive, and we have to look at ways of ensuring the progressivity of the personal income tax.

I would indicate that I have now found the statistic I was looking for a few minutes ago. It was the Progressive Conservative government that lowered the tax enrichment threshold to \$1,433 from \$2,026. We would like to see that threshold re-established so the working poor in our society can benefit from, if you like, tax breaks. That is why I take the Treasurer's advice

in his last reply to me about listing the tax expenditures we want to see. There are some that, frankly, we do not know about. I would like to see a listing along the lines of the Michael Wilson statement of last August, because I believe we need to see which tax expenditures are in fact socially and economically useful.

I would not argue that in some cases the Treasurer may want to encourage the economy and job development in certain areas and he may want to have a tax incentive or a tax break to accomplish that. However, we should be up and above board and say what they are and how much they are costing us. We should do a cost-benefit analysis, so that after a year of the expenditure, tax giveaway or whatever it is called being in place, we have an accounting of what the impact is not merely in financial terms, in fiscal terms, but also in economic and social terms.

It is really important that we see taxation not merely as an accounting or a budgetary process, but as an economic and social process as well.

We will be supporting this bill. We do so with some reluctance. However if new revenue is needed to put forward new programs, by and large income tax is more progressive than other forms of taxation.

Let me say that if the Conservatives vote against this and speak against this, they have a responsibility to tell the public which of the taxes they would have increased. Would they have slashed social assistance programs? Would they have refused to bring in any new housing starts in the province in the next year? Would they have refused to make a commitment to northern Ontario development? Would they have refused to bring in day care spaces? Would they have refused an increase in aid to farmers?

I think it is important, especially on budgetary items, on matters of budget, on matters of budget bills, to speak responsibly so there is always a cost-benefit—

Mr. McClellan: Fiscal responsibility.

Mr. Foulds: Not fiscal responsibility necessarily, but social responsibility and economic responsibility.

Hon. Mr. Nixon: Is the member against fiscal responsibility?

Mr. Foulds: If I may echo some of the criticisms of the former leader of the party, Donald MacDonald, in his column in the Star he indicated that perhaps the Treasurer is using the term "fiscal responsibility" to handcuff himself from delivering as much social responsibility as the province deserves.

I was slightly diverted, but I think the official opposition does have a responsibility. If they are going to vote against this act and every tax measure in the budget and if they want to take their responsibilities seriously, they should tell us which taxes they would have raised or which programs they would have cut.

Would they have raised OHIP premiums? Would they have raised the sales tax? If they would have done that, then that is fine, let them put that on the record. If they would have slashed social programs, if they would have refused to bring in housing and day care and increased expenditures in northern Ontario, let them put that on the record.

Mr. Gillies: My friend the member for Port Arthur (Mr. Foulds) and, to use his terminology, legislative friend, although I would hope we are better friends than that, has indicated that his party will be voting with reluctance against this measure—pardon me, supporting the measure with reluctance. I would like to indicate, speaking as one individual member of this party, that I will be voting with reluctance against the measure, but voting against it, none the less.

5:40 p.m.

The member for Port Arthur has raised a couple of questions that I think are worth responding to. He indicated the obligation is on the official opposition to indicate alternative measures.

Mr. McClellan: How would you pay for the throne speech?

Mr. Gillies: I would say to my friend the member for Bellwoods (Mr. McClellan) that we are not debating the throne speech here. We had an opportunity to do that. We are talking right now about Bill 46.

I would indicate to my friend the member for Port Arthur that I contrast the measures in this budget—a tax grab overall of some \$700 million and an increase in the deficit of some \$500 million—not with a series of what ifs, maybes and could haves, but with the 1984 budget brought in by the Treasurer of the province under this former administration. I will remind him that budget engendered no tax increases and a reduction of the deficit by some \$900 million.

I think the record speaks for itself. There was—

Mr. Martel: There was not a program in it anywhere.

Mr. Gillies: If my friend the member for Sudbury East (Mr. Martel) wishes to join the debate, I wish he would do it on his own time.

I indicate again that the alternative is there. The 1984 budget maintained services, it did not drastically increase taxes and it led to a deficit reduction. I would say further that this measure, as has been indicated by our critic the member for Wentworth (Mr. Dean), is not a two per cent increase in income tax, it is in reality a four per cent increase. This measure will generate \$26 million in revenue for the government.

I would be more sympathetic to this revenue generating measure and perhaps other revenue generating measures brought down in this budget if I saw the tangible benefits going to the people most in need, the unemployed and laid-off workers in this province. I have brought this to the attention of the House several times and I will say it again. We have here the first Ontario budget since 1979 that makes no specific reference whatsoever to skills training, retraining or job creation programs for other than young people.

Mr. Speaker: Order. Is that pertaining to Bill 46?

Mr. Gillies: It is, Mr. Speaker. As I have indicated, I would be much more sympathetic towards this tax generating measure if I saw some benefit from it to those people most in need.

Mr. McClellan: That's a bit tired; the member's comments are all the same.

Mr. Gillies: I think it is a pretty good line.

I have to wonder as to the benefit going to those people from this. Perhaps this is one point on which I would agree with the member for Port Arthur. As he indicated, the burden of income tax still falls on the people earning less than \$30,000 a year. This is not a measure that is going to soak the rich. This is not a measure that will meaningfully redistribute wealth. This is a measure to reach into the pockets of working people across this province to generate revenue.

Which is preferable: to generate revenue for the government or to generate jobs? Is it preferable to increase taxes or to stimulate growth and increase economic activity in the province so there are more people working, more industries operating and more sources of revenue because of increased wealth in the province? That is much more preferable.

We talk about the benefits accruing to the province because of the tax increases in this budget. I can make reference to my own riding for a minute. On the very same day as the Minister of Industry, Trade and Technology (Mr. O'Neil) was telling us that measures taken by his ministry and the government are going to be of specific aid to unemployed and laid-off workers

in one area, in my riding of Brantford, I had to meet with the board of directors of an unemployment service centre that is on the verge of closing because of inadequate, confused and too-cute-by-half funding techniques by the ministry.

Hon. Mr. Nixon: Which centre is that?

Mr. Gillies: The Ministry of Skills Development, the program for unemployed services.

Hon. Mr. Nixon: But which is the one that needs the money? Is it in Brampton or in Brantford?

Mr. Gillies: I am sorry, I am referring to the unemployment service centre in Brantford, which the Treasurer has endorsed by letter in the past, I might add.

Hon. Mr. Nixon: That is the United Auto Workers service centre.

Mr. Gillies: The Brantford Labour Council service centre. It is not just the UAW; it is the labour council.

The point is that if I could see some tangible benefit for the people most in need of these measures, I would be much more sympathetic. As I see it, it does not increase economic activity, it does not increase wealth, and it takes money out of the pockets of working people. I am not going to be overly dramatic. We are talking about only \$26 million.

In a very subtle fashion, it puts a bit of a damper on economic activity in the province. There are better measures and better ways to do it. I offer the flip side of the coin. With reluctance, my friend the member for Port Arthur supports the bill. With reluctance, I oppose it.

Mr. Harris: I am pleased to enter the discussion briefly on the bill. Which one are we on? Is it Bill 46? I think it is Bill 46, An Act to amend the Income Tax Act. I share some of the comments made by my colleague the member for Brantford (Mr. Gillies) about his concerns in supporting a tax increase for the working man and woman of Ontario at a time when we cannot see tangible benefits arising from what is being done with that money.

I wish I were better prepared today, but in looking at the budget—I have looked at it and our research staff has looked at it—I still believe there are many hidden agendas in the budget which will unfold only as time unfolds. We have some difficulty. As expert as the *Globe and Mail* is at researching these items, it seems nobody can find out where \$500 million to \$700 million is being spent.

Let me get to a couple of specific things that concern me. The federal income tax is up. The

federal income tax has been hiked. There is a surcharge. I cannot remember the exact figures. Maybe the Treasurer could help me. Could the Treasurer slip me that figure?

Hon. Mr. Nixon: Go ahead.

Mr. Harris: The Treasurer is trying to ascertain the figure. I asked his officials and they are researching it too. Maybe they will slip the Treasurer a paper if they have found the answer. There certainly was a federal surcharge on income tax.

Mr. Dean: It is five per cent on \$6,000 and up.

Mr. Harris: It is five per cent on \$6,000 and up. I thank the member very much.

Hon. Mr. Nixon: That is the same size as the surcharge of the former Treasurer, the member for Muskoka (Mr. F. S. Miller), two years ago.

Mr. Harris: All I am saying is it is there. That means the effective 48 per cent tax rate already increases by that amount without doing anything. Without doing anything with the ad valorem tax the Treasurer has left on—it is important that I mention ad valorem. Let me digress. From what I have been able to ascertain, there are two areas where the ad valorem tax has been removed.

Hon. Mr. Nixon: May be removed.

Mr. Harris: May be removed.

Hon. Mr. Nixon: Unless it is blocked by that side.

Mr. Harris: It is recommended it be removed.

One area is gas taxes. I have heard the third party and I have heard the governing party tell us how bad ad valorem is and that the perception out there is we have to do away with ad valorem where it really means something, on income tax and on sales tax, which my friends will tell us is very regressive.

5:50 p.m.

Where the revenue is going up and the price of goods is going up and the ad valorem brings in more money, the ad valorem is left on. There are two areas where prices appear to be going down. The projection is that gasoline tax will be going down. This morning—

Interjections.

Mr. Harris: That is fine. I am not saying we are opposing it. I am just telling the members where we at. The perception is that gas prices will go down. That is number one.

On the radio this morning, if members happened to be listening, the big talk was on the tobacco war. Rothmans is now selling 30 cigarettes for the price of 25. Everybody is

discounting, so the price of cigarettes is coming down.

They removed the ad valorem because it is a benefit when prices are coming down. They have freed the tax at the higher level. We are dealing with an ad valorem here. The federal tax is up, so the 48 per cent goes up; without doing anything, just by leaving it at 48 per cent. The public of Ontario should understand that is tax grab number one.

Tax grab number two has been billed by some at two per cent. My colleague the member for Brantford quite correctly pointed out that it is not two per cent. He called it four per cent, but it is actually more than four per cent. It is safe to say that, because if it was 50 per cent and two per cent was added, that would be four per cent, but it is 48 per cent. I do not know the percentage, but it is safe to say it is more than a four per cent increase in personal income tax. So the second hit is through personal income taxes on the average worker who is paying the bulk of this money.

The third hit is the surtax. I have to say honestly that those who are earning income in the range we have talked about have not expressed a concern to me about being able to afford paying the surtax.

Mr. Gillies: Is the honourable member addressing this to the "vice-premier"?

Mr. Harris: The "vice-premier" needs to hear a little bit of this as well. As a general principle, if there is great difficulty—

Mr. Gillies: On a point of order, Mr. Speaker: I have to ask the member for York South (Mr. Rae) how it feels.

Mr. Speaker: Order. The member for Nipissing.

Mr. Harris: I have lost my train of thought now; if I had it in the first place.

If it was a temporary surtax and there was a problem there and we knew where the money was going, it really would not bother me. But the trend here is to extract more money from all segments, from all the workers, from all the people, and well over 50 per cent of the money is now being taken out by personal income taxes.

Studies have shown that once more than 50 per cent of a guy's money is grabbed, the incentive to earn more diminishes. I warn the Treasurer, I am not so concerned with the surtax as with the cumulative effect of the three taxes he has increased: the ad valorem on the federal, the more than four per cent in general and then the three per cent.

Those are all multiples as well. I do not know what he is up, but he must be up more than four point something on five, and then a three on that; he could be up 10 or 15 per cent.

Mr. Foulds: This is called new math.

Mr. Harris: Maybe it is not quite that high. That is the new math. I know the Treasurer's officials will have it all figured out, the compounding and everything, and I am sure he would be glad to share that figure with us.

While the Treasurer was summing up on the increases in the corporation taxes, I believe he made a comment—and I will check Hansard; it looks as though I am going to go beyond adjournment time and I will come back to it at eight o'clock—I believe he said one of the good things about increasing the corporation taxes was that he was reducing that part paid by personal income tax.

Is he shaking his head? He did not say that? If he wants to clarify—

Hon. Mr. Nixon: A ratio of 100 per cent of the tax is now moving slightly towards corporations and away from personal income tax. They are both going up because the 100 per cent is just a little bigger than it was.

Mr. Harris: Thank you, Mr. Speaker, for allowing me the point of clarification.

It may be right; I do not know. Let me refer to a document called 1985 Ontario Budget, the Honourable Robert F. Nixon, Treasurer of Ontario. The Treasurer will see, if he wants to follow with me, though I am sure he has it in his heart, that if one looks at 1982-83 the percentage of revenue from personal income tax was 28.7 per cent.

The member for Muskoka came in with a budget, and in 1983-84 the percentage was 26.5 per cent. It went from 28.7 per cent to 26.5 per cent, a drop of 1.2 percentage points from personal income tax. The Treasurer told us earlier that this was a good thing. I agree it is a good thing, and the Treasurer will notice that in the member for Muskoka's budget the percentage came down 1.2 percentage points.

Then came the member for St. Andrew-St. Patrick (Mr. Grossman) with a budget in 1984-85, and the percentage went down again from 26.5 per cent to 24.8 per cent, which is a drop of about 1.7 percentage points. The trend the Treasurer is so proud of was indeed there through the budgets of the member for Muskoka and the member for St. Andrew-St. Patrick.

However, we now go to the projections for 1985-86 and see there is no change; it is still 24.8 per cent. I fail to see how the Treasurer's

comment about its being a move in the right direction is in this budget document. It was there in the budget of the member for Muskoka; it was there in the budget of the member for St. Andrew-St. Patrick. It is no longer there, and I want to tell the members why it is no longer there.

Sure, the Treasurer has increased corporation taxes, but he has increased personal income taxes as well. How was it that it was there during the other two years? I want to spend some time on this chart.

If members will look at corporation taxes on the chart on page 52, in 1982-83 corporation taxes were only 6.7 per cent of the revenue of the province. Then in 1983-84 came the budget of the member for Muskoka, at which time, I might add, incentives were given for small business. Some call them corporate ripoff loopholes, others call them tax holidays, still others call it leaving the money in the hands of the people who generate economic activity. In spite of that, the share of corporation taxes went from 6.7 per cent

to seven per cent, an increase of 0.3 percentage points.

Again, in the budget of the member for St. Andrew-St. Patrick, in which there was no increase in corporation tax, members will see that while the amount of corporation taxes was already massive, even the share went from seven per cent to 8.9 per cent, an increase of 1.9 percentage points, or almost two percentage points. So the move the Treasurer found so constructive went up two percentage points in that year. By leaving money in the hands of those who create the economic activity, more jobs were generated than the Treasurer has predicted in his budget and more money came in all around.

Mr. Speaker: I wonder whether the member could find an appropriate time.

Mr. Harris: Mr. Speaker, it being six of the clock, I will sit down.

The House recessed at 6 p.m.

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Hansard

Official Report of Debates

Legislative Assembly of Ontario

First Session, 33rd Parliament

Tuesday, November 5, 1985

Evening Sitting

Speaker: Honourable H. A. Edighoffer

Clerk of the House: R. G. Lewis, QC



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LEGISLATIVE ASSEMBLY OF ONTARIO

Tuesday, November 5, 1985

The House resumed at 8 p.m.

INCOME TAX AMENDMENT ACT (continued)

Resuming the debate on the motion for second reading of Bill 46, An Act to amend the Income Tax Act.

Mr. Harris: I would like to continue, but I am not sure I recognize a quorum. Is it in order for you to check, Mr. Speaker?

Mr. Speaker ordered the bells rung.

8:05 p.m.

Mr. Harris: Thank you very much, Mr. Speaker. I compliment you and the government for making sure we have enough people to get this House functioning.

I am trying to recall precisely where I was at six o'clock. I believe we were talking about Bill 46. I think we talked about the commitment that was indicated by the Treasurer (Mr. Nixon) in his concluding remarks on Bill 45 on the diminishing requirements from the taxpayers who pay the personal income tax in this province, which is pretty well everybody. He said the diminishing burden they were bearing as a result of his new budget was a move in the right direction.

I pointed out that the member for Muskoka (Mr. F. S. Miller) in his budget for 1983-84 made a move in the right direction from 28.7 per cent of the revenue collected by personal income tax down to 26.5 per cent, and that the member for St. Andrew-St. Patrick (Mr. Grossman) had made a move in the right direction from 26.5 per cent down to 24.8 per cent. In fact, the projections of this budget, according to the document under the name of this Treasurer, do not change that percentage. We are still looking at 24.8 per cent of the revenue coming from personal income tax.

I suggest to the House that when we look at the full effect of all these tax increases—the federal tax increase, the more than four per cent on top of that and then the three per cent on top of that—and they are all multiplied, personal income tax will be a greater percentage in 1986-87.

I predict that right now. I am very comfortable in doing so and in having it on the record. It could be thrown back in my face if one wished to do that a year from now. I expect I might be on the

other side of the House at that time. I expect to be vulnerable to the type of comment that might be made at that time. I say that because there is a slowing down in the growth of the economy and in the creation of jobs.

There is a slowing down predicted in this budget, and expected in this budget; in fact, it is planned and budgeted for by this Treasurer and supported by the New Democratic Party in its comment that it is a good thing to take money out of the economy and spend it on whatever.

Let me get to some of the difficulties I have with this bill. They were mentioned earlier in this debate by the member for Brantford (Mr. Gillies) when he stated that he understood revenues had to be raised to pay the bills but he indicated the reason he had difficulty supporting this bill was where the money was being spent.

I have difficulty too. I think the Treasurer will be interested because I am trying to make the case for where the money is being spent and where it is not being spent. It is not being spent on housing. It is not being spent on social programs. It is not being spent in the areas that would benefit the economy.

8:10 p.m.

I now turn to page 53 of the budget and look at where the money is being spent. I bring up percentages only because the Treasurer mentioned that the percentage trend in personal income tax was in the right direction.

I look in his document at the trend in education—schools, colleges and universities—something members on all sides of this House, including the members of the third party, have said needs some priority and something the Treasurer has indicated; the wonderful commitment to education and the extra money that is going to schools, colleges and universities.

I ask members to look at the percentage of money going to education for schools, colleges and universities; they will see it is down from 19.2 per cent of the budget to 18.8 per cent. I give it in percentage terms because the Treasurer mentioned how proud he was that personal income tax was going down in percentage terms. I addressed that in the earlier part of my comments.

I mention resources and economic development because the Treasurer has made a big foofaraw in this House. He refuses to acknowledge what his officials have told him and that he has the information on how many jobs are lost when taxes are increased and money is pulled out of the economy. The answer he has given this House has been that in the overall budget plan, if one takes that money and spends it in stimulative ways, there will be job creation. He talks about the net figure being—I do not know what it is.

Hon. Mr. Nixon: It is 108,000, plus 30,000.

Mr. Harris: It is 108,000, considerably down from what was created in the last year, I might add. None the less, that is the answer we get to this specific question.

I have great difficulty with that when I look at the percentage of this budget that is going to resources and economic development. It was 16.8 per cent in the previous budget; now it is down to 16.5 per cent. I am quite certain Treasury officials have indicated to the Treasurer how many jobs are created by the stimulative measures he puts in and how many are lost by the dollars he pulls out, but all we can get is a vague overall answer of fewer jobs being created.

With this new open process, the Treasurer does not seem to want to share with the House or with the people of Ontario the pieces of the pie that go to make up this budget. When we were looking at a specific tax increase, the member for Brantford said, "I have difficulty supporting it, because I do not know where the money is going." To raise money just for the sake of raising money is not good enough.

A budget is made up of pieces of a pie. We take some here, we take some there; and then we spend here, we spend here and we spend here. The Treasurer, when asked specifically in this House how many jobs he is creating by spending here, here and here, will not answer; he will not tell the House, and he will not tell the people of Ontario. Yet I know Treasury officials measure those impacts, and I assume a Treasurer wants to know, the impact of how he is spending that money in the budget on job creation, on new jobs and on the economy of Ontario.

The Treasurer will not tell us, and he has refused to answer about five times. In fact, he has a better count than we have, and when we ask the question again on Thursday he will know exactly how many times he has been asked. He will say, "I have been asked that question," and he will again answer generally that his officials have told him that overall there will be 105,000 plus

30,000 if this wonderful housing program ever gets off the ground.

Hon. Mr. Nixon: It is 108,000.

Mr. Harris: I am sorry; 108,000.

It is important for the people of Ontario and for this House to measure how good a job the Treasurer has done at extracting money from various areas and at spending money in various areas. It is an important measure. People are concerned about jobs. Aside from existing programs and social programs we must fund, what are we doing about jobs?

The Treasurer wants us to support Bill 46. He would like us to support increased taxation, and we might if we thought it were done fairly, if we thought it were taxed in the right direction and if we felt the government was spending the money in the right area. It is particularly relevant when we talk about supporting an additional tax grab of something more than four per cent on top of additional revenue because of the federal increase, plus the three per cent. Where the government spends the money is important.

Community and social services will go from 10.4 per cent of the budget to 10.3 per cent. I do not know where that money is going. It is not going into community and social services; that percentage of the pie is going down. The percentage devoted to education in schools, colleges and universities is going down. With respect to resources and economic development, the Treasurer has been using the argument that the extra money is balanced by how the government spends it; that percentage is down from 16.8 to 16.5.

At some stage of this legislative sitting, if not in this bill or in the next, on Thursday or Friday, the Treasurer has an obligation to share the information his Treasury officials have given him with regard to the number of jobs lost by the tax increases. He has an obligation to share it with this House and with the people of Ontario, along with how he feels his spending programs will increase jobs. That is fair game.

We have to know what he feels those figures are so we can measure whether he has put his priorities in the right place in the opinion of this House and that of the people of Ontario. It is interesting to note that public debt interest is going from 10.9 per cent of the pie to 11.3 per cent at a time when interest rates are significantly lower for 1985-86 than they were for 1984-85. That is money that could be spent on social programs.

My friends to my left will argue that the deficit does not matter. They will argue that the triple-A

credit rating is not as important as social programs. They will tell me that it does not build a house and does not put money into social programs or education. However, fiscal responsibility provides millions and billions more dollars which can be put into those programs.

Hon. Mr. Nixon: What about the Income Tax Act? Do you want it higher?

Mr. Harris: No. I would like the Treasurer to look at his spending priorities and the percentages in the various categories.

The overall budgetary policy of this government seeks to extract money from the economy, which will slow down the economy's growth and the ability of small businesses to grow, as well as the desire of individuals to earn more money because more is being taxed away. When we look at the spending priorities, balance those and see where the money is going, we have difficulty on this side of the House supporting these types of cumulative taxes imposed on an ad valorem basis on behalf of the government.

8:20 p.m.

Mr. McCague: I am pleased to join the debate on Bill 46. We are talking about all the revenue-producing bills. I understand we passed Bill 45, on which the Treasurer has made some comments. I want to serve notice to the Treasurer that we will be asking him to explain how he lost \$50 million in his so-called breaks to corporations in that tax. I think he needs to do much better. I am giving notice that in committee of the whole House we will be asking him to explain that.

One thing that is a bit of a disappointment in this section of the budget is that I think the Treasurer knows what it is the federal government is going to do—it has announced it—in its desire to raise money through income tax. I do not know what the Treasurer thinks of the column that was written by Garth Turner, but it mentions that personal taxes are on the surge again.

"Top wage earners, for example, now surrender 34 per cent of income to Ottawa, another 3.4 per cent is a federal surtax, then 17 per cent more to Ontario and 0.51 per cent as a provincial surtax. That makes the top Ontario tax rate just under 55 per cent and leaves only 45 per cent of earned income in the hands of the guy who earned it. In two years, the top marginal rate has climbed from 51.1 per cent to 54.91 per cent or an increase of 7.4 per cent."

If that is not correct, I would like to know, and I am sure the Treasurer will answer.

"This is just a start. Federal plans call for tax hikes of more than 36 per cent over three years,

for example. All this removes vast quantities of money from the system and slows consumer spending, as we keep saying. The heartbreak comes when we realize the taxpayer's sacrifice is not reducing the deficit—it is going up in both Ottawa and in Queen's Park—and that funds are being squandered."

What I would like to know from the Treasurer in his reply is this: on page 11 of the budget he has the table "Annual Impact of Personal Income Tax Changes in the Budget." Is that predicated on what he knew to be the federal rate of income tax, or does it avoid anything that has come into force as of the date he wrote his budget?

When one goes to page 33 of the budget he mentions, as he did before, the \$50 million he is giving up in corporations tax and an increase of \$321 million in personal income tax. Then when one goes to page 54 of the budget, he projects that personal income tax will move from \$6,253,000,000 in 1984-85 to \$6,777,000,000 in 1985-86.

Is \$6,777,000,000 the Treasurer's figure? If it is his figure, why would he choose in the budget to say he is raising in 1985-86 only an additional \$28 million? I do not quite understand the difference in those two systems of accounting.

Hon. Mr. Nixon: Would the member like the answer now?

Mr. McCague: I guess I will wait until the Treasurer responds. In committee of the whole House we will be questioning his \$50-million tax break to corporations.

Mr. Grande: On a point of order, Mr. Speaker: There is in the east gallery a distinguished delegation from the great riding of Oakwood. I am sure the members of the House will greet the delegation as is the custom of this House.

The Deputy Speaker: That is not a proper point of order.

Mr. Ashe: It is somewhat difficult to stay on just one bill, the one under discussion now, second reading of Bill 46, An Act to amend the Income Tax Act, when we look at the Treasurer's whole thrust this year. When we look at the hoax that he and this government have played on the taxpayers of Ontario, the Income Tax Act is just one small shred of that, but a very important shred that affects everyone in this province. Anyone who has any income of any substance at all at a living level is going to pay more.

A lot of people would say, "What are a few dollars here or there?" Relatively speaking, that is true. But when we add the implications of the

increased costs under the Income Tax Act to all of the other taxes that add up to taking nearly \$700 million out of the taxpayers' pockets in a full fiscal year, including a major and significant sum of \$321 million under the personal income tax system, it goes very much against the way in which that party went around the province, particularly during the month of April this year, criticizing the previous administration's tax policy.

They were going to take care of everything. They were going to put through all of these grandiose promises they made to the electorate in this province. They were going to deliver all the grandiose promises they made to the third party over there, which is no longer an effective opposition in this province. We all know that. An effective opposition has to say something once in a while and has to be an opposition once in a while.

I find it amazing that only one party is speaking on this bill. I remember sitting not exactly where the present Treasurer is sitting, but not too far away, just slightly over, bringing forth bills in the past as Minister of Revenue and time after time, individual after individual, hour after hour, night after night, day after day, the members of the third party got up and ranted and raved about every change in fiscal policy. Obviously now they do not know what to do. They are so frustrated in their position they do not know what to do. They do not know what to say and they do not know how to say it, so they sit on their hands and look over this way.

The Deputy Speaker: Back to Bill 46.

Mr. Ashe: Back to Bill 46, the Income Tax Amendment Act. I appreciate that direction, Mr. Speaker.

Three hundred and twenty-one million dollars. I know the Treasurer is going to say an awful lot of that is going to come from the so-called higher-income group. We know it is in that middle-income group where most of the people in this province reside. The middle-income group includes the small business owners, many of them incorporated, that is for sure, but if they are incorporated they are going to get hit in one way or another again. These are personal taxpayers as well and they are going to pay, as are all of the people in Ontario, for the promises that are nowhere near delivered.

Look at the unfulfilled commitments—some of them prudently not fulfilled, I must agree with that. But if a promise is made, the money has to be raised, whether it is done through the Income Tax Act, the Corporations Tax Act, the Retail

Sales Tax Act or the Land Transfer Tax Act. It is amazing how realism takes over when one finds out one does have to raise the money. It is still \$700 million more income and \$500 million more deficit to deliver on only a small percentage of the promises.

8:30 p.m.

The members of the third party are not too pleased with references to a local Toronto newspaper, but it said it very nicely and I would like to quote a couple of sentences more from the business editor's column. This is not the same one that was referred to before, but obviously the local paper has a little better feel for the economic climate in this province, a little better feel for what makes the economic system grow. I will not go into the growth in the gross provincial product, that was referred to before; or the job creation inevitabilities that there have been in the last few years that are going to head downhill next year under the economic climate of a Liberal government.

Garth Turner, the business editor, hit it very well in his article the day after that infamous Thursday, October 24. He wrote: "Ontario has turned the corner. In a dirty little attack on capitalism yesterday, Ontario Treasurer Bob Nixon did all he could to wipe out years of boring Tory prudence. He is out to nuke higher-wage earners, bloat the deficit, stick it to the corporations, embarrass the former government and enrage the federal one."

"The bottom line is that Ontario's debt this year will climb by an astonishing 30 per cent, from \$1.7 billion to more than \$2.2 billion. In a classic Trudeau-like shot at redistributing wealth, the newly taxed assets of the middle class"—and it is the middle class that gets it in the nose in this budget—"will finance temporary job creation programs, rental housing units maybe, day care"—just a touch on what the promises were—"and expanded educational services."

"With a knee-jerk bow to ideology, the Peterson Grits are dousing any real chances the federal budget has of sparking new economic growth. It is stupid, mean-spirited, socialist drivel. Ontario is being forced in a new direction where those who achieve are penalized for it. The inevitable result will be a sick economy with chronic joblessness and a bureaucracy gone wild. Maybe not this year, maybe not next, but it will come. When it does, we will regret Bob Nixon and we will regret yesterday."

The only thing I have real difficulty with is that we know that is not the real Bob Nixon. It is not the Bob Nixon we heard from for many years

who sounded like a prudent fiscal person who was really concerned with the ratepayers he represented in Brant-Oxford-Norfolk, the people around Paris and St. George. I am sure they really thought that what he said was what he felt. But when he comes down with a budget that we will pay for for years, they had the wrong impression of their member. Unfortunately, the people of Ontario have that result.

Hon. Mr. Nixon: The points raised by the honourable members opposite are of varying application and usefulness. I did not like Turner's column the first time I read it and, frankly, hearing it for the ninth time does not make it much better. I would sooner read the Brantford Expositor, although it was not very good either, to tell the truth.

I do not apologize for this bill. It is a necessary way of strengthening the revenue base of the province. As a matter of fact, it is not as big an increase in personal income tax as was imposed by the present Leader of the Opposition (Mr. F. S. Miller) in 1983-84. His five per cent surtax actually took a larger bite out of those dollars than this one does. That does not mean it is correct, but it does mean the people who have been so bitterly critical of this initiative are just slightly unfair.

The Ontario tax reduction program that accompanies this is something in which I take a great deal of pride. While the Conservatives in Ottawa were attempting to move to de-index pensions and allowances for children and the needy, while they were removing the tax reduction program that had been a part of the tax system in Ottawa for years under Liberal leadership, and while they were giving a \$500,000 lifetime exemption to the other end of the income scale through capital gains, we were strengthening the tax reduction program here.

I wish it could have been better. It would take an additional \$15 million to put it back to where it was; but once again we have at least reversed the trend. If the member thinks that is glassy-eyed socialism, I consider it to be Liberalism with a heart and I suggest the members should support it.

There are 350,000 Ontario tax filers who will pay no Ontario personal income tax and a further 40,000 have reduced tax liability. I wanted to be sure the members were aware that was one aspect of our program which improves the progressivity of an already progressive tax.

I would also like to point out that even with the new increased, raised level of taxation, with the three per cent surtax, Ontario is still third from

the lowest level in personal income taxation in Canada. That ought to be a part of the record and I wanted to be sure to mention it.

The member for Nipissing (Mr. Harris) made a significant point when he compared the share of corporate income tax with personal income tax. He and I agree, at least on one thing, that there ought to be a move towards emphasis on the corporate side and at least a removal of pressure on personal income tax. He did not seem to understand, and perhaps I did not make it entirely clear, that the figures I quoted to him were not personal income tax as opposed to corporate income tax, but a distribution of all of the taxes paid by individuals and by corporations.

For example, the sales tax, a very remunerative, regressive tax, was distributed for the purposes of this accounting by the Ministry of Treasury and Economics taxation officials into the sales tax paid by industry and corporations as opposed to sales tax paid by individuals. In other words, they had the distribution of the taxes from the whole ambit of the provincial tax system distributed as they are paid by corporations and by individuals, so the discrepancy the member considered he felt in my figures can be explained that way.

The member for Dufferin-Simcoe (Mr. McCague) also asked about tables in the budget. The one on page 11, headed "Annual Impact of Personal Income Tax Changes in the Budget," refers only to the changes in the budget. That is, the effect of these increased rates plus the surtax have the effect as put forward in the tables on resident taxpayers in the province.

He indicated a discrepancy which he had determined in the overall tables, I think in the C tables at the back. Those do take into account increases in revenue this year from changes made in the federal budget. I hope that in succeeding years there will be increases in those federal effects to our advantage. Unfortunately, there is a clear indication that new federal initiatives will substantially decrease the overall revenues of Ontario.

We have problems with our deficit and with our debt, but the problems at the federal level are even greater. I would predict, and have already predicted in the budget and any time I make a speech to which I can make anybody listen, that unfortunately the processes at the federal level are going to lead to a substantial rate reduction in the revenues transferred from the federal to the provincial level.

I had a couple of other items here, but essentially, as the member for Durham West

(Mr. Ashe) mentioned, this tax bill is quite simple: it raises income tax. The revenues are substantial. We believe they are going to have to be.

The allocation of funds among the ministries is one which we believe corrects difficulties experienced by recipients of tax grants and transfer payments and improves this situation for the future. That is a subject for general budget debate or discussion during the estimates before the House that will be reviewed by the various committees.

8:40 p.m.

I would ask the members in the official opposition to reconsider what I consider to be an untenable position put forward by their critic and his supporters. It seems unbelievable to me, and almost unconscionable, that they would be calling for an increase in these programs and an increase in expenditure and at the same time have the short-sightedness, the tunnel vision, in a responsible society to vote against this increase in taxation.

Nobody wants to increase taxes but we do want to improve our services, maintain the quality of our health care, improve the quality of education, provide jobs and opportunities for young people under 24, substantially improve colleges and universities and their extensive program for education for people of all ages. We believe we have the key to improving the economic resilience, depth and strength of the economy of Ontario.

If the members opposite only understood that, I am sure they would join the members of the government and the enlightened third party and vote in favour of second reading. We will give them an opportunity to do that this evening.

The Acting Speaker (Mr. Morin): Hon. Mr. Nixon has moved second reading of Bill 46, An Act to amend the Income Tax Act.

All those in favour will please say "aye."

All those opposed will please say "nay."

In my opinion the ayes have it.

Hon. Mr. Nixon: Mr. Speaker, we request that this vote be taken at 10:15 p.m.

The Acting Speaker: Pursuant to the agreement of the House this afternoon, the division on this bill is deferred until 10:15 p.m.

Vote stacked.

RETAIL SALES TAX AMENDMENT ACT

Hon. Mr. Nixon moved second reading of Bill 47, An Act to amend the Retail Sales Tax Act.

Hon. Mr. Nixon: The bill implements the proposals contained in the budget of October 24 and some administrative amendments. An exemption from tax is provided on infants' and children's car seats. This exemption applies only to child restraint seats that meet the requirements outlined in the Highway Traffic Act.

An exemption from tax is extended to certain feminine hygiene products. These comprise sanitary napkins, sanitary belts and tampons. The bill extends indefinitely the rebate to out-of-province visitors of the five per cent tax paid on transient accommodation. This rebate was scheduled to expire on December 31, 1985.

A tax exemption is provided on prepared food products purchased from an eating establishment for a total price that does not exceed \$1. Another budgetary amendment relates to the withdrawal of the tax exemption on Canadian Maple Leaf gold coins.

The bill contains certain administrative amendments, including some measures to simplify the objection and appeal process. For example, the bill ensures that all assessments may be subject to review on objection and appeal. The bill extends the time for a taxpayer to object to an assessment to 180 days from the current 90 days. Provision is made to extend the time limit where special circumstances prevent the taxpayer from meeting that limit.

Other administrative amendments withdraw certain search warrant provisions of the act, establish the time for the remittance of tax collected on admissions to places of amusement and provide for some housekeeping changes.

Mr. Dean: I am pleased, and I know the Minister of Revenue (Mr. Nixon) will be pleased, to know there are some good things one can say about this bill. I think he is very perceptive in the things he has done, with two exceptions.

I am sure we all agree with the exemption for feminine hygiene products. The extension of the rebate to out-of-province visitors for their accommodation is something that was enacted first by our government and has proved to be very worth while. It is worth while to have it made a permanent feature.

All of us concerned about safety on the highway, and especially safety for children, can applaud the removal of the sales tax on the purchase of car seats for children provided they are proper seats. I would like to draw the attention of the House to the fact that this issue was first raised in the previous parliament by one of our colleagues, the former member for

Scarborough-Ellesmere, and it was made law not long after that.

Having said that, however, I feel it our duty to mention two items that we think are a little strange. One is the exemption level for prepared food products. I suppose if we could find a meal for \$1 someplace, we would be grateful to have that exemption if we were buying it.

Hon. Mr. Nixon: Has the member tried Sanssouci?

Mr. Dean: I cannot even get in the door for \$1 there.

The thing I find strange about it, however, is that it is a very pale resemblance, almost a ghost-like shadow of the promise made by the government when it was the Liberal Party running in the election. I understood at that point that everything under \$4 in the meal department was to be tax free. Perhaps this is within their realm of fiscal restraint—is that the word?—prudent fiscal responsibility or something of that nature, which the Treasurer (Mr. Nixon) wants to do.

If this is the best he can do, then that is too bad. I do not think it really is a satisfactory realization of the promises that were made. I also think it has the potential to be a bit of a problem for the lunch counters and other restaurant establishments that will be involved with this. It could lead to a lot of extra paperwork at that end or other undesirable make-work problems for small businessmen. There is also the possibility that it could lead to some higher costs in the changing of automated machinery in those establishments. Its main feature is that it is really a caving in, a disappointment to those who looked forward to the Treasurer being able to keep the word of the party and its leader.

The other item I wish to touch on briefly is the removal of the tax exemption for the Maple Leaf gold coin. I understand some of the reasons for which the Treasurer and Minister of Revenue has said this is taking place. Nevertheless, it does not serve the important gold mining industry in Ontario.

To attempt to say we are supporting the north more and are particularly concerned about the mining industry and then to put a tax back on a product that is one of the very tangible manifestations of that particular aspect of our industry seems to me to be trying to say something that is not practical. There will be a further temptation, I believe, for those who are purchasers of gold in this form to do it elsewhere than in Ontario. We are not only doing something less than positive to our gold mining industry, but we are also running

the risk of moving some of the commerce that flows from the manufacture and sale of these coins out of Ontario to some other province—for example, Quebec, where this tax does not apply.

8:50 p.m.

I think the Treasurer should take another look at that. I feel the sort of atmosphere that goes with those two items I have been critical of will mean we cannot support the bill.

Mr. Foulds: I found the arguments today on the various tax bills intriguing. I found the debate lively. I even found that occasionally, although I profoundly disagree with the speakers on my right ideologically, politically and geographically, they had always argued that there needed to be consistency.

They opposed the previous two bills because there were increases. As I understand this bill, it provides exemption for taxation; in other words, it reduces taxes; but they are opposing that as well. I find that a little difficult to follow.

I understand the profound commitment the Conservative Party has to the sales tax exemption on gold coins, but as we all know, those coins are not manufactured in Ontario and they provide no manufacturing jobs in Ontario. I would be very surprised if they contributed substantially to the employment of gold miners in Ontario, although most of the gold is mined in Ontario.

I do not know what percentage goes towards the gold coins, but I would think it is not a significant amount. I would suggest there are better and more important ways of stimulating job creation programs in the mining industry generally, and in the gold mining industry in particular, other than by a minimal exemption on gold coins.

That being as it is, by and large the people who buy gold coins are not your average lunch-bucket-carrying, ordinary working man and woman of Ontario. They are not paying this tax. Those people who can afford to buy gold coins and salt them away pay the tax.

I agree that nobody likes tax increases, but that party did not like the income tax increase, which is relatively progressive, with the reservations I made earlier. I ask once again, where would the official opposition raise its extra revenue? Where would it raise the revenue for its multimillion dollar throne speech? Would it raise it from the old age pensioner? Would it raise it from an increase in the Ontario health insurance plan premiums? Would it raise it from an increase in sales tax?

If they are going to be responsible legislators, if they are going to be small-c conservatives as

well as, may they rest in peace, large-C Conservatives, surely they have a responsibility to tell the people of the province and the members of this Legislature where they are going to get their extra revenue. If they are not willing to tell us, that is fine. We understand they are not willing to engage in that progress.

I have a problem with the bill, but our party will be voting for it. First of all, I want to clarify something said by the previous speaker. It was my colleague the member for Beaches-Woodbine (Ms. Bryden) who first proposed the exemption for child-seat restraints in automobiles, years before the former and forgotten Conservative member for Scarborough-Ellesmere. The exemptions the Treasurer has granted in the sales tax, aside from that and aside from those on feminine hygiene products, are, as he would in his heart of hearts truly admit, very symbolic indeed.

I suspect what happened was that when the government's party was looking at the level of exemptions on the sales tax or the items that it would like to exempt, it was faced with the horrible reality that such a large proportion of the Ontario budget has become dependent on a most regressive form of taxation, the sales tax. The sales tax, which was instituted by the Conservative government originally under the pretext that it would cover hospital care, medicare, was never removed when the Ontario health insurance plan premiums were established. The province's revenues have become—

Mr. Guindon: Now we know where it is coming from.

Mr. Foulds: I am glad we are going to have participation again from the member for Cornwall (Mr. Guindon) in the debate on the tax bill. He has to look only at the chart and tables at the back of the budget to see that the province's revenue under the previous administration had become very dependent indeed on two of the most regressive forms of taxation devised in the western world—medicare OHIP premiums and sales tax.

I would suggest to the Treasurer, however, that he does have to look at raising the exemption level, because the \$1 exemption provides for a cup of coffee—

Mr. Callahan: It amounts to \$36 million.

Mr. Foulds: I know the lost revenue was \$36 million. Frankly, for the symbolic gesture, it is not worth it.

It was one of those things where the Treasurer, I believe, said, "We have to make some

commitment to one of the promises we made during the election campaign—

Hon. Mr. Nixon: Somebody said it.

Mr. Foulds: —that the leader of the Liberal Party said during the campaign." What was the delicatessen? It was not Shopsy's. Which one was it?

I am referring to the \$4 meal that the then Leader of the Opposition and now the Premier (Mr. Peterson) ate at—was it Shopsy's? Perhaps it was not Shopsy's, but it was one of those delicatessens. There he made the promise that his party would raise the level of exemption to \$4.

Hon. Mr. Nixon: Shopsy's.

Mr. Foulds: It was Shopsy's? No, it was—

Hon. Mr. Nixon: Switzer's.

Mr. Foulds: Switzer's, that is right. I think the \$1 exemption is just a symbolic gesture that the Liberal Party felt it had to make. It was a quarter-step towards the \$4 exemption.

Mr. Callahan: Pretty good, though.

Mr. Foulds: No, it is not because it is not of any practical value.

An hon. member: Useless.

Mr. Foulds: It is absolutely useless. It means that one can buy a cup of coffee without paying tax or get a cheap, low-level, one-scoop ice cream cone that costs under a dollar, which means one cannot get it at Baskin-Robbins Ice Cream any more these days. One might be able in some theatres to get a small container of popcorn.

9 p.m.

I suggest that it is not worth all the lashes the Treasurer has taken for this measure. In all seriousness, he has to start looking at some other fundamental essentials that the former Treasurer, the member for Muskoka (Mr. F. S. Miller), started to tax with respect to getting, if I might say so quite seriously, some progressivity into the sales tax.

I am realistic enough to understand that the sales tax cannot be done away with tomorrow. I am realistic enough to realize that it is embedded in the Ontario budget as a source of revenue for some time to come. I strongly suggest that the Treasurer and his officials begin to look at those items which are compulsory purchases for the working poor of this province, who are more severely hit by this tax than others. They do not have a lot of disposable income and must spend their money on certain essential goods. In the Treasurer's next budget, he should look, as would a Liberal with a heart, as he says he is, at providing those exemptions.

The other items in this bill are acceptable. If it happens by some rare chance to go to committee, I am curious about the provision which seems to be in a number of these bills, the withdrawal of the special search warrant provision, and its going to the Provincial Offences Act. It is probably better to have it located in one area under one statute, but I am curious about why he has taken this step and what the abuses were, if any, when it was in the previous act.

Mr. Ashe: I will be very brief on this bill. Generally, there is not a great deal to see in the bill because it is not much of a bill. There are only two areas I want to dwell on for a moment. When there are only three or four things of any relevance in the bill, two is still a fair percentage.

I mean this in all sincerity. The Treasurer must be truly embarrassed with that \$1 exemption on the so-called prepared food products. It is an embarrassment. I can see him sitting at the desk saying, "No, if we cannot fulfil the promise my leader on more than one occasion, and 125 candidates, made around the province that we would bring the exemption up to \$4, we are better not to do it at all." I can see him sitting there saying exactly that.

I can see another little fellow down the hall who has "for-\$1,000-you-can-get-my-ear" kinds of opportunities, whose name is Peterson or Davidson or something—whatever he is called down in New York.

Mr. McCague: Anderson.

Mr. Ashe: Anderson; pardon me. He said: "No, Bob, we have to show we are really going to keep the promise." He has heard that reference before. "We cannot keep all the promise on this one, but let us keep the same percentage as the other government got us into with Suncor, 25 per cent of the promise." The Treasurer said: "I am not too sure that is very good. I feel like an ass having to go that way. What can one buy for a dollar?"

I agree. One can go into any restaurant and get a cup of coffee but no toast with it, or one can have toast as long as one does not have butter and coffee with it. As somebody pointed out from the third party, which is no longer the opposition, one might be able to get a small package of popcorn at the theatre or a few things like that.

One can get a package of cookies for less than a dollar at McDonald's. I am not quite sure about anything else one could get. That must be an embarrassment. If there is one part of this budget which laughs in the face of the electorate of this province, that is it.

Frankly, I would not criticize this if there were no change in the exemptions vis-à-vis the meals. The exemptions he took off the other products are fine, the car seats and the women's products. If he had stuck with this one, we would have added it to the list of unfulfilled promises, but at least it would not have been a kick in the teeth of the electorate of Ontario, one that says: "We told you \$4, but we will throw you a buck. We will throw you a crumb in that meantime, even though you cannot buy anything with it."

There is another very important aspect. There is an echo in the corner that keeps saying it is \$36 million. There is no doubt it is \$36 million of the Treasurer's revenue. I do not dispute that. I know where the figures came from; so I do not dispute them. At the same time, I suggest it will not save \$36 million in the pockets of the taxpayers of this province.

Can the Treasurer tell me that when he goes into most corner stores and coffee shops, the coffee that has been selling for 50, 55 or 60 cents, tax included, is going to go down a nickel? He should mark my words: it will not.

We allowed that for convenience, particularly for the smaller stores; it has not been a problem in the bigger restaurants. It is made very clear that sales tax is extra. Most of the fast-food restaurants, most of the corner restaurants, the mom-and-pop restaurants, have taken the advantage we gave them a number of years ago of posting tax-included prices.

If the Treasurer thinks they are going to go to the expense and trouble of changing all those signs down a nickel, or three cents or two cents in the case of products under \$1, he is crazy; they will not, and I would not expect they would. The Treasurer has given a real bonanza to somebody, I am not quite sure whom. In the meantime, he must be embarrassed.

When I think of McDonald's, Burger King and all the ones that have computerized cash registers and have to reprogram them, I am sure at some sizeable income for somebody—

Hon. Mr. Nixon: It makes employment.

Mr. Ashe: That is true. If this is the major job creation initiative of this Treasurer, that is fine. It is a temporary make-work program, but I am sure he will count it in his 108,000 jobs created for the coming year—down significantly from 1985, I might say.

In any event, that is the one major disappointment I have in what the Treasurer has said. I honestly feel for him in his embarrassment on this issue.

On another one, I found great comedy in listening to a member from the north who used to speak out so vociferously about how the north was hard done by. If there was anything against the north and anything against the mining communities in particular, he spoke out extremely harshly. Now the Treasurer imposes a tax on the gold coin that has a direct impact on mining communities, not only in this province but also right across Canada, and he says: "It does not matter. Nobody except the rich buy them anyway."

If he would look at the statistics on the sale of gold coins, he might know that other than one-ounce coins now are sold, and it is the small person who has had a tendency over the past number of years to make a minor investment in that kind of opportunity. Now they are going to cost another seven per cent.

The other thing he may not know is that all the gold that is used in the Canadian Maple Leaf gold coin is and must be mined in Canada. If the Treasurer thinks that is a further stimulus, I remind him that a good majority of that gold is mined in Ontario, not all but a significant portion of it. It really is a dessert to see those fellows on the left, the little tail-end over to the far left, trying to squirm and squiggle around and not criticize their compatriots opposite. In the meantime, I hope the Treasurer feels good about that initiative. We will watch and see what the sales of Maple Leaf gold coins are in Ontario in the coming years.

Other than that, some of the initiatives in the way of housekeeping, the changes in ease of administering the act, are always welcome and I am sure will help the administration of the act.

9:10 p.m.

Mr. Lupusella: I am proud to rise and associate my feelings with those expressed previously and eloquently by our Treasury critic.

It is a little amazing to hear comments coming from the member for Durham West (Mr. Ashe), our former Minister of Revenue. During their 42-year regime in Ontario, the Tories played with the issues affecting poor people in Ontario, exempting taxes with the excuse and implementing the principle that for the benefit of the economy they had to stimulate sales of cars and furniture.

They talked about exempting people from paying thousands of dollars in taxes, but I never saw the benefits from these thousands of dollars going to the consumer. What happened was the exemption took place but the price of the item went up. In fact, the consumer per se did not get

any benefits. The Tories were implementing that kind of legislation based on the principle that particular provisions of the act were stimulating the economy and were supposed to help a sector of our economy in Ontario.

The Conservatives have been criticizing us because of the position we have taken. If we were to go back a bit in the political history of their party, we could investigate all the industrial grants given to companies in Ontario with the benefit of repaying those grants in 10, 15 or 20 years time at two, three and eight per cent interest on the total amount.

I urge the former Minister of Revenue to go back a bit to all those industrial grants given by the Tories, I am sure—I do not like to say it—to their own friends. Who paid the price for that? The poor people of Ontario did. That is why in previous budgets we saw the cruel approach used by the Conservatives, increasing the Ontario health insurance plan premiums and other things, or closing down hospitals in the name of restraint.

I admit some members might excuse themselves because they were not around when these types of policies were enunciated. They might have an excuse. However, the former Minister of Revenue should have the experience of what his own party did in Ontario for at least the past 10 years.

On this bill, I would like to ask the Treasurer for some clarification about the exemption from tax of prepared food products. I am wondering if prepared baby food products, for example, are exempted. I am talking about food products for kids who are six or seven months old and so on. I would like to have some sort of explanation about whether those products are incorporated in the bill or whether something might be done by way of regulations.

I am a bit disappointed in that if we are trying to help the poor people in Ontario, diapers have not been exempted, for example. That would have been a good approach which the minister could have taken in relation to that item. However, I understand and endorse the other exemptions, which relate to the purchase of infants' and children's car seats and certain feminine hygiene products.

Again, I would like to convey my concern to the minister that these exemptions should be exemptions from which consumers in Ontario will clearly benefit. For example, I would not like to see the prices of these items going up. I hope the minister will play some role in finding out whether the price has been going up as a

result of this exemption on these products that have been exempted in this bill.

The other issue on which I would like to express my concern and my endorsement is in relation to clause (e) of the purpose of the bill which says that "assessments may be subject to review on objection and appeal, to extend the time for the taxpayer to object to an assessment and to permit the minister to extend that time where special circumstances prevent the taxpayer from meeting that limit."

This is a very important item in this bill. The Liberals are finally putting an end to the cruel approach used by the previous Minister of Revenue. Once a year, around December, taxpayers in this province used to receive a notice of assessment, and they had 10 days to file an objection to an increase in their assessment or to launch an appeal. That was the cruel approach used by the Tories, not just in 1981 but going back to 1975 and 1977, when the Tories were trying to steal money from the poor and give it away to the rich. Again, I invite the minister to review all the industrial grants given to corporations in Ontario. This is money that has been stolen from the poor people of this province.

Mr. Speaker: Would the honourable member just take a glance at Bill 47 and get back to that bill?

Mr. Lupusella: It is Bill 47, is it? It is clause (e) of Bill 47, unless I am mistaken. I would like to have your guidance, Mr. Speaker. I think I am not out of order.

The final message I would like to send to the Treasurer is that this is a good indication that something positive is coming in relation to the old issue of assessment on properties in Ontario. In the final reply coming from the minister, I hope he will clarify specifically this subsection—

Mr. Pierce: You are talking about industrial rebates.

Mr. Lupusella: I am not out of order. There are explanatory notes for the bill. That is what it is all about, unless I have the wrong bill in front of me. It is Bill 47.

Mr. Speaker: It is An Act to amend the Retail Sales Tax Act.

Mr. Lupusella: The explanatory notes say: "The purpose of this bill is...to ensure that all assessments may be subject to review on objection and appeal, to extend the time for the taxpayer"—

Interjections.

Mr. Lupusella: Do I have the wrong bill?

Mr. Brandt: No, no. Everything is under control.

Mr. Lupusella: I am not out of control. The former Minister of Revenue told us we should be ashamed of our association on this side of the House. I think he should be ashamed for collecting money from poor people across Ontario when he was the Minister of Revenue. It is as simple as that. I do not know why—

9:20 p.m.

Mr. Speaker: Order. I remind the member that the member who was speaking was out of order because he did not have the floor. Go ahead and speak to Bill 47.

Mr. Lupusella: What the hell is he talking about, Mr. Speaker?

I want to conclude my remarks. On this particular subsection, I would like to send a message to the minister that I hope in the near future he will come out with an overall revision of property taxes in Ontario and extend the period for people to appeal the assessments on their personal properties. That is something he should be proud to see created, as I am. In comparison to the approach used by the Tories in the past, I think it is good.

Mr. McClellan: I want to take a minute. I am prompted to join the debate by the remarks of my colleague the member for Durham West when he talked about comedy and embarrassment. Give me a break. This is a member whose government introduced the regressive taxes that are being removed in this bill.

Mr. Ashe: Which ones?

Mr. McClellan: I believe the member for Durham West was a member of the government that introduced sales tax on feminine hygiene products. Am I wrong, Mr. Speaker?

Mr. Speaker: I am sorry, the Speaker cannot reply.

Mr. McClellan: Talking about comedy and embarrassment, I do not know whether to laugh or to blush. The member for Durham West has joined the successive tirade of his colleagues against a number of tax measures that have been introduced.

I have to remind my dear friends in the Conservative Party of their throne speech, which was delivered earlier this spring and which had promises—I believe I am not mistaken—adding up to a total of something just less than \$1 billion in additional expenditures, and the Premier of the day indicated he could pay for all these new programs without raising the deficit and without raising taxes.

Without raising the deficit and without raising taxes, they were prepared to extend an additional \$1 billion in new programs. That is Tory economics in a nutshell, and I mean nutshell. Nobody in this province believes any longer in the credibility of my friends to the right, because they have been revealed to be fiscally irresponsible. How else can I put it? How else could it be described?

They are promising additional programs and they are saying they can be paid for without increasing the deficit and without increasing taxes—voodoo economics at its most crude and primitive. Yet my colleague the member for Durham West has the gall and the audacity to talk about comedy and embarrassment. Give me a break.

Mr. Speaker: The member for Lake Nipigon.

Mr. Harris: Nipissing.

Mr. Speaker: I believe the member for Nipissing has spoken.

Mr. Harris: Au contraire, Mr. Speaker. The member for Nipissing has not spoken, but I will defer to your judgement. Perhaps we will have the government members speak all at the same time, and then the opposition can speak.

Mr. Speaker: I recognize the member for Nipissing because I believe we should have rotation.

Mr. Harris: Mr. Speaker, I agreed with your original decision; I needed more time. But thank you.

I am pleased to speak very briefly on Bill 47, An Act to amend the Retail Sales Tax Act. This is one of a package of bills that seeks to raise revenue for Ontario. It is one of those taxes we call an ad valorem tax. Some members of the third party have referred to it as a regressive tax; however, they are now supporting the continuation of this ad valorem tax that they feel is regressive. Actually, the biggest joke here is their great defence and support of this tax.

Mr. McClellan: I think the member is on the wrong bill.

Ms. Gigantes: He is on the wrong bill.

Mr. Philip: Where is the ad valorem in this bill?

Mr. Harris: The only thing I have heard from the third party tonight that has made any sense at all was when, in reply to the question of how much they are being paid to defend this budget, the member for Port Arthur (Mr. Foulds) replied, "Not enough." I concur; it is not nearly enough, because they are doing a pretty good job.

Hon. Mr. Kerrio: What are friends for?

Mr. Harris: What are friends for? That is right.

A few little things bother us about this bill. One is the Maple Leaf gold coin. The member for Port Arthur, who purports to represent northern Ontario, can say it is not a very significant move against the gold mining industry of northern Ontario. He can say it is detrimental but, in the overall scheme of things, it is not the end of the world in northern Ontario.

Mr. Foulds: How many jobs is it going to cost? The member should put his money where his mouth is.

Mr. Harris: Let me talk about jobs. The member has defended this Treasurer who will not identify the number of jobs his officials have told him every one of these tax increases will cost. This is an increase in the cost of gold and most members will know that the sale of Canadian gold and of Ontario gold are very tricky items in the marketplace. They are having problems. It is a depressed industry as it is. There are difficulties in the mining industry—

Mr. Foulds: Who do they sell it to?

Mr. Harris: I know the member is for forestry. In North Bay and Nipissing—

Mr. Speaker: Order. Perhaps the honourable member would disregard the interjections and address his remarks to the chair.

Mr. Harris: He is not interested in mining, Mr. Speaker, you will have to tell him to keep his comments to forestry, but some of us in northern Ontario care about the mining industry. We care about the jobs in Timmins, in Kirkland Lake, in Hemlo and in Nipissing where the companies that are involved in manufacturing, repairs and service to the mining industry are concerned about what happens in that industry.

This is a negative move. It is negative specific to those areas of mining gold. At a time when the Maple Leaf gold coin was one of the encouraging signs of recovery, when this coin was enjoying an increased market share—

Hon. Mr. Kerrio: That is the main reason.

Mr. Harris: The Minister of Natural Resources (Mr. Kerrio) has interjected once tonight and I am sure the Treasurer will comment that one cannot exempt only the Ontario coin under the General Agreement on Tariffs and Trade. We concur with that, but we were doing very well in the marketplace when they were all exempt. We were increasing our share. We were more than 50 per cent.

Hon. Mr. Nixon: The krugerrand was not exempt.

Mr. Harris: Nobody wants to buy the krugerrand any more. Is the Treasurer promoting the krugerrand? We are doing very well in the marketplace.

We think it is a negative move for northern Ontario. As a member from northern Ontario, I have an obligation to point that out to the Legislature. Other members from northern Ontario may not feel it is particularly significant. That is fine. We respect their point of view. Others of us are concerned about the effects of this budget on northern Ontario.

9:30 p.m.

The Treasurer said in response to another bill that we are the last province to enact a specific measure. In this particular item we lead our major competitor in the stock markets, we lead our major competitor in the gold mining industry by putting this tax on. There will be some effect—not a significant amount, not the end of the world—but it still tends to depress activity in Ontario that it will now be desirable to buy the gold coins in Quebec and on the Quebec market. That is the place where the smart investors will go to place their orders for the gold coins.

Hon. Mr. Kerrio: That gold could come from Ontario.

Mr. Harris: It could come from Ontario; that is right. That is fine. But it will be a negative for the stockbrokers. If one looks at the stockbrokerage industry here, it will be a negative in the activity in Ontario.

Mr. Foulds: Is it going to do a stockbroker out of a job?

Mr. Harris: Listen, we are after every single job we can save, and this budget measure generally in that area, with the tax on the gold coin, affects jobs in Ontario. Sure, it is not thousands of jobs.

Mr. McClellan: How many jobs?

Mr. Harris: As soon as the Treasurer opens up and tells us what his officials have told him, I will get that information and the member will. The Treasurer has not done it for five questions, but he will do it on the sixth, the seventh or the eighth. They promised open government, so I am sure that at some time he will share that information with the House. He may not do it voluntarily, but I think the Premier will make him do it because that appears to be their commitment.

Let me talk about another aspect of Bill 47 that we have difficulty with. That is the famous \$1

exemption on the tax on prepared foods. It is a joke out in the community; it is a joke in the industry.

Hon. Mr. Kerrio: It is a \$38-million joke.

Mr. Harris: That is the problem with it. It will generate \$38 million less, and by the time the government figures out the cost to industry of adjusting to the \$1 as opposed to the other, figures out all the changes that the member for Durham West talked about with the cash registers and figures out the difficulty of sorting that out, when we add in the \$35 million that it all costs, it is a typical, rather bureaucratic move that will not generate a single dollar of good for anybody.

It will cost that amount of money to figure out who pays and who does not, to put out three bills instead of one. Nobody is applauding the move as a great move. The only thing we hear out there is, "They did not live up to their commitment and they gave us this joke instead."

The Treasurer asks where he could raise additional revenue. Surely it would be better to keep the \$35 million—how much is it?

Hon. Mr. Nixon: It is \$40 million.

Mr. Harris: Keep the \$40 million, because the consumer is not saving this money. The consumer is not going to end up paying \$40 million less. The companies are not going to end up saving any money. It is going to cost them that amount of money when one takes all those fast-food companies and all these people who deal in the prepared-food business. That \$40 million will be eaten up just in trying to accommodate it. So the Treasurer wants a source of revenue. There is a source of another \$40 million instead of a joke on the people of Ontario.

Mr. Speaker, I believe you would allow me to comment briefly on why we are concerned with this bill in the context of where expenditures are going in the overall budgetary policy of the government because this bill is one of those integral parts. If it were not integral, I am sure the Treasurer would not be concerned whether it passed. If he is concerned, then obviously it is integral to the whole budgetary process.

In that light, members of the third party have repeatedly brought up in this debate the question of where the Tories would get the money. That is a comment I have heard.

Let me go to a couple of the charts in the budget. This is not a Tory document. It is the 1985 Ontario Budget prepared by the Treasurer. If members look at page 52, they will see how a Conservative government generates needed extra funds. They will see how revenues went up from 1983 to 1984. If they look at the table on page 63,

they will see that revenues went up from 1983-84 to 1984-85 and \$2.5 billion more came into the provincial coffers without raising a single, solitary tax and without introducing any budget bills that said taxes had to go up here and there.

That is what increased economic activity will do. That is what happens when the government allows more jobs to be created. That is what happens when it allows the private sector to create the jobs; it gets more taxpayers. That is why personal income tax went up; there were more payers. That is why corporate income tax went up; they made more money and they paid more. There were more payers and more businesses created.

We now have a new plan. We have the socialist Liberal-New Democratic Party plan, the Trudeau-MacEachen-Davey-Coutts-etc. plan. This plan decides to take more money out of the economy and bring it into government through increased taxation. By increasing all those taxes, the revenue is going to be increased by \$2.1 billion. The year before the government got \$2.5 billion without any tax increases; now, with all the tax increases, it is going to get \$2.1 billion. That is \$0.4 billion less. Why? The Treasurer has admitted it slows down economic growth. He has admitted that taking it out will slow the economy and slow the creation of jobs. That is why. There will not be the same number of taxpayers.

In the overall context of the budget, I have difficulty with the ordinary, extraordinary and super double-star extraordinary expenditures. It seems fine, but I think we need some explanation. I know I got some tonight and I hope I am being fair. The Treasurer has been good in providing me with information. Perhaps he can confirm that double-star column is the hokey column and really does not mean anything. It is the one that takes revenues from \$27 billion to \$30 billion.

It is not money he actually gets. The accounting is bookkeeping stuff. Expenditures go from \$28.9 billion to \$32.6 billion. Those are all bookkeeping entries and do not impact on the budget in a significant way. They are not related to items in previous years. If the Treasurer will confirm that is what they are, I will accept that they belong in a double-star column and really are not of significance to us as we deal with the budget.

I want to add why in the overall plan of things we have difficulty with the tax increases. I have explained how the Treasurer can get more money without pulling all that money out of the economy; at least that is my opinion.

9:40 p.m.

Let me also say that cumulatively—this bill is part of it—we are talking about increases in expenditures, as I read it, of almost 10 per cent. Inflation is running at four per cent or a little less than that. Admittedly, the settlements that he has been encouraging around the province have been running around five per cent. We have difficulty understanding that when inflation is running at four per cent. Even his ordinary expenditures are at 7.8 per cent, and when he includes, at page 15, his extraordinary adjustments, which I am sure he will want to claim a reduction from. If he is there to come out with the budget for 1986-87, I am sure we will see the figure of 2.213 at that time, and we will see—

Hon. Mr. Nixon: No; 1.695.

Mr. Harris: I am glad to have that on the record. Would he put it on the record in response if that is the figure he is dealing with in the 1986-87 budget planning process—the 1.695? If he will do that, then I will accept that.

If the expenditures he is talking about are \$28,997,000,000, it would be the honourable thing just to reaffirm that tonight. In that case, we are looking at about only an eight per cent increase in expenditures at a time of four per cent inflation. That is part of the overall problem we have with this budget.

Mr. Pouliot: I welcome the opportunity by means of a few short comments to address this distinguished assembly with reference to Bill 47; and more specifically subsection 3(3) which deals with the proposed withdrawal of the exemption from tax for the purchase of the Maple Leaf gold coin.

I should introduce my remarks briefly by mentioning that I came to this assembly with the very vivid and specific purpose of learning a good many things. Tonight, although I had no intention to be on my feet, and certainly no intention to commend the Treasurer of Ontario for having restored the sense of equilibrium and the sense of economic justice in the marketplace in Ontario, I force myself somewhat reluctantly, but nevertheless I find myself being very pleased, to do so.

Concerning both the member for Durham West and the member for Nipissing, with all due respect, we were very patient in listening, and patience is a virtue. We listened to the platitudes, nothing short of that, to the sham. I will not say ploy, I will not say deception. Suffice it to say that even a blind person without the use of Braille could see what was happening on behalf of their friends from the Albany Club, on behalf of their

colleagues and confrères from the board of trade. They had the audacity and the gall really to tax our patience without bringing forth any substance when it came to gold mining.

They were not talking about market forces, they were not talking about the 65 per cent of all Ontario's production emanating from the great riding of Lake Nipigon, from Hemlo. They did not give us a lecture about the difference between traditional quartz and sediment formation, they said nothing about market conditions, the way the program is currently in disfavour. They know little—in fact nothing—about market analysts predicting that the increase in sales of the Maple Leaf coin will be of the magnitude of 15 to 20 per cent in the year 1986. They did not mention that.

They did not mention that gold presently markets at \$325 an ounce and, by virtue or reason of the sediment formation at Hemlo, the cost of extraction, of production is \$106 per ounce. One need not be a mathematical genius from our group to calculate that the profits are there. The richest gold mine in the world is in northwestern Ontario, Campbell Red Lake Mines Ltd. If we were to have the production of Hemlo coupled with that from Red Lake, we would find ourselves with fully 80 per cent of Ontario's gold production.

It was high time that a balance was imposed regarding this proposal and the Treasurer has had the courage to do so. I will vote at 10:15 p.m. with my colleagues to render justice and a better balance.

In conclusion, I worked very hard in a mine for 20 years and I feel somewhat saddened that there was no substance tonight only criticism. There was no positive comment. Worst of all, there was no knowledge of mining, our basic industry in Ontario.

Mr. McCague: I am pleased to say a few words on Bill 45, I believe it is.

Hon. Mr. Kerrio: It is Bill 47.

Mr. McCague: Yes. That is close. My mathematics are something like the minister's. Regarding the content of this bill, the subject of prepared food products under \$1 has turned out to be a bit of a joke. I hope the Treasurer will see it in his heart, now that he has felt he should impose this exemption, to consider giving the vendors at least some credit so they might be able to recover some of their costs of adjusting to this rather minuscule program. He mentioned in his budget it will save \$7 million, along with his other endeavours in this bill, and will save \$40 million in a full year.

We agree with his exemption on feminine hygiene products. I hope the Treasurer's answer to his promise to exempt accommodation is not what is included in this budget, which allows only for the rebate of tax paid to people visiting from outside the province if they apply. Nobody can argue with the exemption on car restraint seats for children. That was proposed and just not completed by the Minister of Transportation and Communications some months ago.

Much has been said about the exemption on gold coins. I do not understand, and probably the Treasurer can explain it to those of us who are not from northern Ontario, how he sees the method, which people might use to buy them outside this province, to be fair.

He has mentioned in comments, not for the record, that some of these things were the price of honour. It cannot be the \$4 food exemption nor the accommodation tax. I am not sure what he meant by the price of honour. The member for Dovercourt (Mr. Lupusella), who tells me he has two children, mentioned that the Treasurer should have removed the tax on diapers. I have six grandchildren. Based on the odd time I have been sent shopping, I do not think there is any tax on diapers, but he will probably correct us on that and notify the member for Dovercourt.

The only disappointment in this bill is that it does not go as far as we and the people of Ontario were led to believe it would go. For that reason, we have to record our disappointment in it.

9:50 p.m.

Hon. Mr. Nixon: When I was first elected to this House—I took my seat about February 1962—the sales tax was quite fresh and new. The Premier who introduced it, the Honourable Leslie M. Frost, was still a member of the House and sat in seat number one, where the member for Windsor-Walkerville (Mr. Newman) is sitting. I was able to observe him here, and he spoke briefly a couple of times.

There was a rumour that he was so embarrassed and sensitive about having to bring a sales tax into the province at the unheard-of high level of three per cent that he thought it was a good time to make his own political withdrawal. It was good judgement on his part. I have a feeling he could have won the next election quite readily, maybe almost as easily as Bill Davis could have won his next one if he had stayed, but those things we will never know because Mr. Frost had withdrawn at that time.

A sales tax was an extremely big issue, as members can imagine. During the campaign for my election in a by-election, we talked about it

constantly. The Liberal position then was that there ought to be a \$40 exemption to the tax.

I am not prepared to defend that position tonight, but I can recall the debate in the House raged back and forth that the revenue would be reduced by only a very small amount if there were a \$40 exemption because most of the revenue came from the big-ticket items such as automobiles, mink coats for the wives of Tory cabinet ministers and that sort of thing.

It was quite interesting how the innovative accountants could come up with any answer one wanted in that connection. I hasten to tell members that none of these accountants works for the Treasury now. They deal just with the facts as they are.

Sales tax has increased in its tax base and size. It was tempting to say, "Let us increase the sales tax by one per cent and thereby reap \$700 million of additional revenue by just changing one little number one little bit." However, the attitude expressed by most of the progressive members of the House, except for the Progressive Conservatives, is that sales tax is a revenue that we want to keep under strict control and, if anything, increase what little progressivity there is by improving tax grants and by keeping it as low as is practicable.

I want to refer to the specific objections put forward by the member for Wentworth (Mr. Dean). The critic indicated that he felt the Treasurer was perceptive in at least some of the exemptions, and I appreciate that. The members on all sides have indicated they support the removal of tax from feminine hygiene items, infants' car seats and so on. I appreciate that and I can understand that is easy to support.

The \$1 prepared-food exemption has had quite a thrashing around tonight, almost as much as the thrashing around it had in the boardroom of the Treasury. Many of the arguments that were put were discussed by myself and others because the cost of fulfilling the \$4 exemption was approximately \$170 million. My judgement was that was too rich for my blood in one shot. The alternative was to take it to \$3, \$2, \$1 or leave it alone and simply say we were not prepared to respond to that promise.

My own judgement was that by moving to \$1 we were showing good faith. I am hoping—not promising—that we can improve that situation as revenues become more buoyant under the stimulation of Liberal economics. I confidently expect this will be one of the alternatives we can examine.

I do not want to waste time, but I do want to mention that I went to my constituency office last Saturday morning. I tend to run out between clients to the Paris Bakery, three doors down past Harry Wise Men's and Boys' Wear. It is a marvellous bakery with just great stuff, most of it no-cal, and they keep an urn of coffee in there.

As I went in to buy a few little goodies, the baker came out from the back, dusting the flour off his apron. He gets up at 3 a.m. to set the dough; some people really work in this community, believe it or not. He wanted to thank me for making this \$1 exemption. He said: "Nothing in here is taxable unless people buy a cup of coffee—we have an urn here—and a doughnut, and then it is taxable, but no more, Mr. Nixon. Thank you, Mr. Nixon."

So do not say nobody appreciates it because somebody does. I have desperately tried to find number two, but so far he or she has not surfaced. I think it is an indication of good faith so far as the promise is concerned and I hope we can respond in a more generous way in the future.

I want to mention the gold coins as well. I am very proud to say that 32 per cent of Canadian gold production is located in Ontario. I have been down in the mines and have seen what is going on there. I am very glad the world price of gold has stimulated the reactivity of some of these mines and made it profitable to open others, and they have become very profitable indeed.

The Canadian Maple Leaf coin is well accepted. I have already referred in the House to the matter pertaining to the General Agreement on Tariffs and Trade, of which we are a signatory. It was my judgement that in order to come into compliance with its direction, the tax should be reapplied.

My own feeling is it will have no effect whatsoever on the mining industry or the sale of gold. A member indicated that people can go to Quebec and buy it more easily. That is absolutely true. It may reduce the number of gold coins sold in downtown Toronto or downtown North Bay, but it will have no effect on the amount of gold extracted from Ontario. I am glad to report that industry is thriving and will continue to thrive.

The member for Nipissing, for some reason—it may have been when the Speaker was not paying direct and strict attention—wandered off, as he has on a number of occasions tonight, with reference to the budget in general. He talked about table C8 on page 63 and his confusion about the numbers in the pink area of the table, particularly the double-starred numbers.

I know you, Mr. Speaker, my colleagues and other members of the House paid close attention during the budget when I explained that I felt it was necessary to clear off from the books of the province a number of old commitments, particularly those for which we were granting the money to the public structure or facility that owed the money so they could pay us back. It was a left pocket to right pocket to back again, very complex, time-consuming, useless accounting procedure.

At the same time, there were real payments that had to be made such as paying off the Suncor deal, which I decided we should do. In addition, we found there was \$90 million that had to be paid for municipal transit for unfunded commitments of the previous government. There were unfunded commitments of a number of hospitals of \$15 million and the restoration of cash advances to seven per cent for school boards. Those amounted to \$518 million, a special one-time, clean-up-the-books, clean-up-the-act payment, which accounts for the extraordinarily large size of the expenditure outflows of \$32,696,000,000.

At the same time, these bookkeeping entries marking down these debts did not involve spending any more money. The money had already been spent years ago in grants to colleges, universities, conservation authorities, the Ontario Housing Corp. water treatment and waste control facilities, the Ontario Development Corp., the Urban Transportation Development Corp.—by the way, how did Kirk Foley get the extra money?—the Ontario Energy Corp., the Liquor Control Board of Ontario and so on.

In writing down those debts, since no new money was found, it simply did not cost us money and so therefore it had to be shown as a nonbudgetary revenue. The total of balanced nonbudgetary revenues for budgetary expenditures was \$3,181,000,000. That amount, when added to the ordinary revenues in the budget plan on table C8, makes the amount of \$30,483,000,000 the opposition House leader referred to.

10 p.m.

I want to point out that the cash requirements this year were \$1,695,000,000. This is lower, not much but somewhat lower, than the cash requirement last year. We had to put in the other column because, for a special one-time-only cleanup of the books and the settlement of the Suncor fiasco, we had to spend the extra money. That is the explanation for those two columns.

When next year's budget comes along, if I refer to both numbers, it will be because both numbers are public. They have been well explained and should be understood. Whether the member accepts the procedure is his business. As Treasurer, I have put it forward and will refer to it again.

I also want to point out that the changes in the sales tax will have a negative effect on our revenues. We are reducing our revenues in this way, which makes it difficult to comprehend why the official opposition—now gathering in slightly larger numbers as we approach 10:15 than the stalwart group of six that was here calling for a quorum at eight o'clock—would think of voting against it, since this is a reduction in public revenue.

To vote against a reduction in taxes simply does not make sense to me, and I have had considerable experience in opposition. It may make sense to the present opposition. They will have lots of time, many years indeed, to mend their ways. Lesson 1: If taxes are going down, one votes for it; if taxes are going up, one votes against it. It is quite easy, so bear that in mind. In this instance, taxes are going down.

It seems to be eminent good sense on the part of the New Democratic Party, which as usual is using its good judgement in supporting the government on this—

Mr. Foulds: The Treasurer goes too far.

Hon. Mr. Nixon: I am sorry. I take that all back.

I simply indicate to the opposition House leader that when his colleagues finally do sift in, he might turn around and say: "In this case, we are supporting the government. Taxes are going down." That is when one votes for the tax bill. On that basis, I feel sure this bill will get the unanimous support of the House.

The Deputy Speaker: Hon. Mr. Nixon has moved second reading of Bill 47, An Act to amend the Retail Sales Tax Act.

All those in favour will please say "aye."

All those opposed will please say "nay."

In my opinion the ayes have it.

Motion agreed to.

Bill ordered for committee of the whole House.

LAND TRANSFER TAX AMENDMENT ACT

Hon. Mr. Nixon moved second reading of Bill 48, An Act to amend the Land Transfer Tax Act.

Hon. Mr. Nixon: This bill implements the proposals contained in the budget of October 24,

as well as containing some administrative amendments. The basic tax rates are increased to one half of one per cent on the conveyance of property valued up to and including \$55,000 and one per cent on the remainder of the value. One has to go down to the county to get houses that cheap. The current rates are two fifths of one per cent on the value up to and including \$45,000, and four fifths of one per cent on the remainder.

For the conveyance of property containing one or two single-family residences valued at more than \$250,000, the bill imposes an additional tax of one half of one per cent on the portion of the value in excess of \$250,000—also to be found down in Prince Edward.

This additional tax will not apply to a single-family residence on a farm eligible for a farm tax reduction rebate. A refund of the additional tax paid can be obtained where, within three years of sale, the land is used in farming and the purchaser becomes eligible for a farm tax reduction rebate. Sales of apartment buildings and other residential rental buildings containing more than two units are exempt from the additional tax.

As I have mentioned, the bill also contains certain administrative amendments. Included among these are measures to simplify the objection process. For example, the time for a taxpayer to object to an assessment is extended to 180 days from the current 90. Provision is made to extend the time limit where special circumstances prevent the taxpayer from meeting it. Other administrative amendments provide for certain housekeeping changes.

Mr. Dean: I will be very brief, in view of the hour. Again I would like to say that I agree some of the elements of the bill are eminently sensible. The change outlined in section 1 is a good move, in that it includes a structure as well as the land when the building contract is part of an agreement to sell the land. That seems to make sense and is a justifiable addition to the application of this tax. It is also justifiable to exempt the bona fide farm residence and the land that goes with it as the Treasurer has just outlined.

However, the change in the size of the land transfer tax has to give us pause. Granted, it is not a superhuman amount, but nevertheless it sends the wrong kind of message to people, especially young people who may be contemplating buying a house. Anything that adds to the down payment is bad and counterproductive.

Many people, especially young home buyers, need every break they can find to make the down

payment. This is not a good signal to people who may be looking forward to the biggest purchase they will ever make in their lives. It appears the government is discouraging them, even if incrementally, by saying, "We are going to continue to raise the level of the tax on the land transfer."

Many people do not consider it when they first go about the business of looking for a house and have the unpleasant surprise of having it tendered along with the solicitor's bill when it comes to the final clearing up of the adjustments. It is not a desirable step in this case to raise that level of tax, and therefore we will not be supporting the bill.

10:10 p.m.

Mr. Foulds: We will be supporting the bill. I understand the basic level of taxation has not been raised since 1977. It does not seem an inordinate amount to pay: one half of one per cent on \$55,000 or less, and one per cent. However, I have some questions on the bill I would like answered.

I genuinely do not understand, and it is not a rhetorical lack of understanding, why the bill does not apply to apartment buildings. I wonder if the Ministry of Treasury and Economics officials have done a run to see what kind of revenues would be gained if it did. I would like to know what loss of revenue is involved there.

I would also like to know, because I have not had time since the budget to read thoroughly the Land Transfer Tax Act in its entirety from the beginning, whether this bill applies to the transfer of condominiums.

Those are the questions I would like answered at some stage during the debate on this bill.

Mr. Runciman: I am not in support of the bill, the proposed tax increase, but perhaps the most revealing element in this process is the New Democratic Party's support of legislation such as Bill 48. That is the party that purports to stand up for the little guy. It is standing up but it is standing up with a Liberal government to help it apply another kick in the shins to low-income and moderate-income, first-time home buyers in this province.

Those members should be ashamed, but they have no shame and very few principles. They flushed most of those down the drain last spring, and now they will support virtually anything to delay an election in the vain hope that some miracle is going to come along and save them from their inevitable fate at the polls.

Interjections.

Mr. Runciman: Music to my ears.

Mr. Speaker: Order.

Mr. Runciman: This government is doing everything it can to emasculate the housing industry, and Bill 48 is just another nail in the coffin. Instead of bringing in tax increases, we should be providing incentives for home buyers, especially for low-income, first-time home buyers. People in the lower income brackets are already facing a steady decrease in accommodation options, and this bill will only exacerbate an already difficult situation.

Bill 48 is an error, one of many this government is making with the aid of the PSP, the phoney socialist party, or if one prefers, the principles-for-sale party. I hope this bill receives the fate it merits: defeat.

Mr. Pierce: I stand to address the regressive tax known as the land transfer tax. At a time when our economy demands more affordable housing, this tax, regardless of its limits, does nothing to enhance the housing construction industry.

The housing construction industry promotes jobs not only in housing construction but also in the industries that provide the materials necessary to build houses. In addition, affordable accommodation will be affected. The tax further restricts any home owner from improving his standard of housing, thereby restricting the opportunities of making affordable housing more available to first-time home buyers.

At a time when I believe this government is trying to generate activity in the construction industry, I fail to see how this tax moves towards that end. We know there are people out there who would very much like to upgrade their standard of living by moving into more expensive housing. We know that by moving up, these people would be making room for the first-time home buyers.

One of the main problems facing any home buyer is the upfront cost related to the purchase. The buyer generally knows the amount of money he has available for the down payment, the legal fees, the cost of moving from one residence to another and the purchase of furniture, drapes and rugs that are necessary for moving into his new home. The province realizes the taxes generated from all the incidental items purchased for the new home. I fail to see the need for a further tax on the transfer of a piece of land when one already contributes taxes in many other forms.

I urge the Treasurer (Mr. Nixon) to reconsider the tax and to make the appropriate changes to have the changes withdrawn from Bill 48.

On motion by Mr. Pierce, the debate was adjourned.

Mr. Speaker: The House agreed to defer two divisions, one on Bill 45 and one on Bill 46. As there was agreement for this division, the bells can ring for up to 30 minutes.

10:25 p.m.

CORPORATIONS TAX AMENDMENT ACT (continued)

The House divided on Hon. Mr. Nixon's motion for second reading of Bill 45, which was agreed to on the following vote:

Ayes

Allen, Bossy, Bradley, Bryden, Callahan, Caplan, Charlton, Conway, Cooke, D. R., Cooke, D. S., Cordiano, Curling, Eakins, Elston, Epp, Ferraro, Fontaine, Foulds, Fulton, Gigantes, Grande, Grandmaître, Grier, Haggerty, Hayes, Henderson, Kerrio, Knight, Kwinter, Laughren, Lupusella, Mackenzie, Mancini, Martel, McClellan, McGuigan, Miller, G. I., Morin, Morin-Strom, Munro;

Newman, Nixon, O'Neil, Offer, Peterson, Philip, Poirier, Polsinelli, Pouliot, Rae, Ramsay, Reville, Reyecraft, Riddell, Ruprecht, Scott, Smith, D. W., Smith, E. J., Sorbara, South, Swart, Sweeney, Van Horne, Ward, Warner, Wildman, Wrye.

Nays

Andrewes, Ashe, Baetz, Barlow, Bennett, Brandt, Cousens, Davis, Dean, Eves, Fish, Gillies, Gordon, Gregory, Guindon, Harris, Hennessy, Jackson, Johnson, J. M., Lane, Leluk, Marland, McCague, McFadden, McLean, McNeil, Miller, F. S., Mitchell;

O'Connor, Partington, Pierce, Pollock, Rowe, Runciman, Sterling, Stevenson, K. R., Taylor, Treleaven, Turner, Villeneuve, Yakabuski.

Ayes 67; nays 41.

Bill ordered for committee of the whole House.

10:30 p.m.

INCOME TAX AMENDMENT ACT (continued)

The House divided on Hon. Mr. Nixon's motion for second reading of Bill 46, which was agreed to on same vote.

Bill ordered for committee of the whole House.

SUMMER WAGES

Mr. Speaker: Pursuant to standing order 28, the question that this House do now adjourn is deemed to have been asked.

The member for Sault Ste. Marie has given notice of his dissatisfaction with the answer to his question given by the Minister of Natural Resources concerning tree-planting contracts. I remind the member he has up to five minutes.

Mr. Morin-Strom: I am pleased to have the opportunity to explain my dissatisfaction with the statement today by the Minister of Natural Resources (Mr. Kerrio) on tree-planting contracts and unpaid wages. On October 24, I asked the minister what he would do to help out the youngsters who worked this summer to help his ministry plant trees in northern Ontario. How will they get compensation for the work they have done on behalf of his ministry?

At that time he said he would look at the matter in detail and report back on how we might be helpful to those young people. His official statement to the Legislature today on this issue is totally unsatisfactory. He has promised changes in practices and procedures for future summers, but that does not help the young people who worked on behalf of Ministry of Natural Resources this summer for up to three months but never got paid. He claims the Ministry of Labour has looked into all complaints and had a good degree of success in obtaining wage arrears.

In October he said orders were issued to two contractors to pay \$3,000 owed to employees—\$3,000; he cannot be serious. Today I talked to two students in Sault Ste. Marie who were each waiting for nearly \$3,000 individually in wages owed. In Sault Ste. Marie there are more than 70 young people who were not paid for their work this summer. From this one contractor alone, there are about 150 young people and native Canadians along northern Ontario who have not been paid.

This is a travesty of justice which must be corrected. This minister says the government had "a good degree of success in obtaining wage arrears." With two per cent being a success rate, I would like to know what qualifies as a failure for this government. After reviewing the evidence, any objective observer would have to come to the conclusion that it is just as much the government's fault as that of the private contractors. It was student manpower which originally sent these young people up north to work, without knowing the living conditions and the competence of the employer and the MNR.

We have the MNR, which hired a contractor who apparently was not capable of managing the contract. We have the MNR employees, who monitored the contract on virtually a daily basis on site. These inspectors approved the work done with a performance rating of around 90 per cent overall. The MNR employees also confirmed the contractor's contention that there was a problem with some of the invoices but that the contractor would get paid once the jobs were completed. There was no suggestion from MNR that the students would never be paid. The students had their room and board provided and they saw money coming in to pay for food, gas and equipment repairs. Most of them did not doubt they would be paid. After all, they were working on a government contract.

We also had the Ministry of Labour, which recently told the students that money is being held until the contractor brings in papers telling them how much he owes each person. The ministry called the contractor three weeks ago but has not been able to find him since. I bet he would be found if he had a speeding ticket.

I would like to read a quote from one of the 150 young people who are being treated so unjustly in this case. This is just one contractor out of six, I should point out. This student had his letter to the editor of the Sault Ste. Marie Star published yesterday:

"I have lost a lot of faith in these government agencies that cannot handle a small problem like this. But maybe I am to blame. I voted for this government."

I ask the minister to reconsider his response today. Virtually all the trees contracted were planted. These trees are now growing, but our young people who did a job for the government have not been paid. The minister has a responsibility to them and to all of us. He should live up to it.

Mr. Speaker: The minister has up to five minutes to respond.

Hon. Mr. Kerrio: I share the disappointment of the member for Sault Ste. Marie in this particular instance.

Mr. Pierce: A bloody injustice.

Mr. Rae: Disappointment? It is a bloody injustice, that is what it is.

Mr. Speaker: Order.

Hon. Mr. Kerrio: I have something to share with the members. If they want to hear it, I am prepared.

The fact of the matter is the member is accusing this minister of doing something that was entered into by that government.

Mr. Wildman: We are asking you to fix it up.

Mr. Foulds: He is the government now.

Hon. Mr. Kerrio: Just wait a minute. Did the member hear me interjecting when his man was up making his pitch?

Some hon. members: No.

Hon. Mr. Kerrio: He is darned right I did not because it is a serious problem, and I do not think all those people should be over there yelling until they hear what I have to say. If they want to listen, fine, and if they do not, I do not even have to answer the question. How is it going to be?

I have to tell the member that the contracts were entered into by that government. I inherited them. I have a great deal of experience in this field. I have shared with the people on both sides the fact that I am going to do everything I can to change these contracts so this will never happen again. I made that promise, and I will fulfil that promise.

In answering directly, a few things have to be taken into account as well. While we are dwelling on the unfair situation that developed with these people, there were some 90 contractors, many of them good contractors, who did an excellent job and paid many hundreds of people who worked, so things have to be brought into perspective.

I would share with the member the fact that the Ministry of Labour was made aware of this, and this is the report it has brought forward. The fact is the employment standards branch has a great deal more success than the member gives them credit for. I will not go into the preface here, but I would say that Bark Reforestation Ltd. has been investigated, and in September, wage arrears of \$14,377 for 11 employees were collected and distributed. Other claims are going the same route, such as one on October 18, 1985, for \$20,000 on behalf of 416 employees. Natural Resources is withholding \$22,900 payable to William Clark pending settlement of the case.

There have been good things done. It is not good enough, but I am telling the member we cannot straighten out situations that have been developing over 42 years with a government that could not care less about the employees. That is not going to happen now.

I want to share with the member the fact that experience is going to show that next year, before these contracts are let, there is going to be enough holdback, there is going to be enough bonding and there are going to be enough guarantees that this will not happen again.

10:40 p.m.

Mr. Speaker: The member for Fort William (Mr. Hennessy) has also given notice of his dissatisfaction with the answer to a question given by the Minister of Natural Resources. The member has up to five minutes.

Mr. Hennessy: It is all very well to use the former government as a scapegoat, but they cannot keep that up for ever.

Mr. Callahan: Why not?

Mr. Hennessy: I guess they will. Why not? That is it. They will probably keep it up, but with all due respect, the minister said he shares the disappointment. How about the young people who worked all summer? Are they not disappointed? Let us be honest about it. They may be depending on that money to go back to school or to help out their families. The minister says, with tears in his eyes, that he is disappointed. I am sure the many youngsters who called me in regard to this are not very happy with the decision or with the way things have been handled.

The minister mentioned tonight that all of a sudden, out of the clear blue sky, \$22,000 is available. That was not mentioned the other day when I asked the question; it was not mentioned until tonight. Did he have it in his sock?

The students who leave school are very ambitious to work, and they work very hard planting these trees. At the end of the year, they have to go chasing from one area to another to try to get their money. Finally, they have to go to their members to see whether they can get the money for them. It is not fair. It is possible that it is not the minister's fault, but as the minister he has to assume responsibility; he cannot blame the guy next door.

I also think, with all due respect, that when the contractors sign, half of them are fly-by-night operators. Two or three of them get together, and the first thing one knows they get all the money, leave town and forget about the youngsters who worked. I would suggest that this government shares some responsibility and should perhaps reimburse these young fellows and these young girls, because it is not that much money.

Hon. Mr. Wrye: I do not believe what I am hearing.

Mr. Hennessy: Does the member want to stand up and speak? When they asked him a question the other day, he did not know what the hell to say. Now he is laughing.

Mr. Speaker: Order.

Mr. Hennessy: When he was in opposition he was the greatest socialist I had ever seen. Now,

all of a sudden, he is on the government side and he wants to pinch every penny.

An hon. member: He sounds like a Tory, does he not?

Mr. Hennessy: I do not know. He looks like Santa Claus, but he is not a Tory.

Many people in northwestern Ontario are very disappointed in the lack of protection they are receiving. We are dealing with young people who are just starting out in the world. I would ask this government to give serious consideration to reimbursing them. If the ministry has \$22,000, perhaps it could send them a Christmas present with a Christmas card and include their cheques.

These people who do not pay should be prosecuted to some extent. After all, they are depriving these youngsters and not paying them for the job. If we did not get paid, we would all be marching out in front with signs tomorrow morning.

With all due respect, I think the minister should give this serious consideration. I am very concerned about the welfare of these students and I think they are more or less eagerly waiting to see whether something is going to be done. With all due respect for what the minister says about the former government, when it had this problem the last year or two, it was settled.

Mr. Speaker: The minister has up to five minutes.

Hon. Mr. Kerrio: I would like to share the facts with the minister from Fort William.

Mr. Hennessy: Thank you very much.

Hon. Mr. Kerrio: Excuse me. From Sault Ste. Marie.

Mr. Hennessy: Go home.

Hon. Mr. Kerrio: Where is the member from?

Mr. Hennessy: The minister should come up to my riding and say that.

Mr. Speaker: The member for Fort William.

Hon. Mr. Kerrio: I thought that was what I said, Mr. Speaker.

Mr. Speaker: You said "the minister."

Hon. Mr. Kerrio: I would like to share with the member the fact that I will not in future, when I am in charge of developing new contracts, ever

make any excuses for contracts I had nothing to do with. The member is talking about making someone a scapegoat. I am talking about the fact that I inherited the contracts we are dealing with. I am not talking about something I had anything to do with. I will not accept that part of the responsibility.

The members who have brought forward concerns about the young people, especially those who have been—

Mr. Wildman: It is a new minister, but it is the same ministry.

Hon. Mr. Kerrio: I do not accept that, either. I am suggesting that when I am in charge of the kind of situation that is going to bring contractors into play, there will be proper protection.

The very important point I want to make, which the member is not willing to listen to, is the fact that when the new contracts are let, we are going to have every potential contractor appear at briefings. There is going to be a test and prequalification. Anyone with whom we have had any trouble in the past is going to be disqualified; as well, the other ones will be prequalified. We are going to be certain because of the high labour content that a 10 per cent holdback is not adequate in these kinds of contracts. That should have been done before.

No one can be protected fully in this society. There are many people on those benches over there who have studied law who know that someone could come in to do something on a person's house, and if he is not careful in making sure that the materials and so on are paid for, there could be a lien against his home for labour and/or materials and he would not be aware of it. Those are the kinds of things that were not protected in the former contracts.

I am also willing to share with the member tonight the fact that we will do everything in our power to collect those wages from those contractors who defaulted. I am also willing to make a commitment here tonight that we will go further than that and do something in a monetary way for those young people who have been taken advantage of.

The House adjourned at 10:47 p.m.

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 Runciman, R. W. (Leeds PC)
 Treleaven, R. L., Deputy Speaker and Chairman (Oxford PC)
 Wildman, B. (Algoma NDP)
 Wrye, W. M. (Windsor-Sandwich L)







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Legislative Assembly of Ontario

First Session, 33rd Parliament

Thursday, November 7, 1985

Afternoon Sitting

Speaker: Honourable H. A. Edighoffer

Clerk of the House: R. G. Lewis, QC



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LEGISLATIVE ASSEMBLY OF ONTARIO

Thursday, November 7, 1985

The House met at 2 p.m.

Prayers.

STATEMENTS BY THE MINISTRY

REPORT ON PRIVATE SCHOOLS

Hon. Mr. Conway: It gives me great pleasure as Minister of Education to table the report of the Commission on Private Schools in Ontario. This document reflects the excellent efforts of the commissioner, Dr. Bernard Shapiro, the government-appointed 15-member advisory committee, a small secretariat established to assist with the commission's work and the many individuals and groups that took the time to respond to the call for written briefs. Dr. Shapiro in particular is to be commended for his extensive research and for the speed with which he analysed and converted the data into report form.

The Commission on Private Schools in Ontario, along with two other commissions, was established after a statement to this Legislature on June 12, 1984, by the then Premier, the Honourable William G. Davis, at the time he announced the completion of funding for the Roman Catholic separate school system. An order in council dated July 26, 1984, appointed Dr. Bernard Shapiro, director of the Ontario Institute for Studies in Education, sole commissioner.

The mandate of this commission was to examine the contribution of private schools in elementary and secondary education in Ontario; to identify alternative methods of governing these institutions; to explore the possibility of public funding of private schools offering elementary and secondary programs, and to examine the existing and potential relationships between private schools and publicly supported school boards.

After visiting 40 of Ontario's private elementary and secondary schools, after studying 514 written briefs, nearly half of them from individuals, and after comparing Ontario's private schools with those of other provinces and countries, the commission formulated 61 specific recommendations.

In putting together his report, Dr. Shapiro sought the opinions of Ontario's public and

separate school boards, Ontario private schools, teachers' federations, school trustee organizations, supervisory officers' organizations, home and school associations, business groups, labour organizations and post-secondary institutions.

It is my express wish that the public of Ontario be given ample opportunity to respond to the issues raised by this report. Therefore, I am pleased to announce that a series of public information sessions on this report will be held around Ontario. The sessions, to be held in several regions of the province, will give the public and interested groups the opportunity to review the report before submitting their responses to the Ministry of Education. Details of the information sessions will be announced shortly.

The report will receive wide distribution to ensure maximum comments from across the province, not only from the education community but also from all people with a commitment to Ontario's education system. As part of this distribution, I am making copies available to all members of this assembly—and they are now in the mailboxes of the honourable members—to the media, to the public and to other interested parties.

The report will be available in French by mid-December. I must apologize to my francophone colleagues for the delay in translation, but in the interests of releasing the report as soon as I could, I ask their support for doing so in English only. The French copy will be available very shortly.

This report is a thoroughly researched document with far-reaching public policy implications. It deserves serious attention. I await the comments of individuals and groups across Ontario with much anticipation. All responses will be received and analysed by the Ministry of Education, and I have set April 30, 1986, as the deadline for responses.

DRUG PRICING

Hon. Mr. Elston: Since I assumed the Health portfolio with our government I have been concerned about the rapidly rising costs of the Ontario drug benefit plan. I have also seen that throughout the entire retail drug market in this

province there was little, if any, real protection for consumers. The cost of financing the ODB plan has been rising by nearly 23 per cent annually for the past six years, from \$100 million to \$350 million, and it was projected that costs this year could be as much as \$400 million. These runaway cost increases are not acceptable to this government.

The Ontario drug benefit plan is one of the most utilized programs in our health care system. Last year more than 1.3 million people in Ontario used the service, and it now accounts for almost 40 per cent of all prescription drug sales in this province. It is absolutely vital that as a government we control the costs of this program and that we ensure good value for every dollar spent.

Unrealistic drug prices are a major contributing factor to the rising costs of the ODB plan, and the problem is not a new one. It would appear that the previous administration became aware of it shortly after the plan was introduced in 1974.

Pharmacists and drug manufacturers were also aware of the problem and recognized that major reforms were needed, but the former government apparently lacked the political will to tackle the issue. Indeed, two of my predecessors have recently admitted their frustration at being unable to resolve what is a very complex matter of public policy.

Let me quickly outline for the members of the House how this drug pricing issue developed. Twice each year the Ministry of Health publishes an Ontario Drug Benefit Formulary, which lists the drugs that are to be provided at no charge to ODB beneficiaries. That formulary also lists the prices at which government will reimburse pharmacies for drugs dispensed under the program. These formulary prices are based on quotes received from drug manufacturers. They are not set by government.

Some manufacturers realized that by quoting artificially high prices for the formulary, prices higher than what pharmacies were actually paying for drugs, there was an incentive for pharmacies to purchase their products. Government reimbursements for drugs dispensed under the ODB are, as a result, higher than the cost of many drugs to pharmacies.

It can be easily seen how this resulted in excess costs to the Ontario drug benefit plan. This practice of price spreading, and the fact that it was allowed to continue for so long by the previous government, represents an unnecessary burden on all Ontario taxpayers.

I should also point out that since the Ontario Drug Benefit Formulary is used as a pricing

guide for prescription drug sales in the cash market, its artificially high prices have resulted in excess costs for cash customers and for those on other drug plans as well.

Members of this House will recall that early in September I announced my intention to publish a new Ontario Drug Benefit Formulary, one that would establish realistic pricing levels for drugs. This initiative has been delayed after a court challenge by a generic drug manufacturer. Because of this delay, excess costs of at least \$3 million to \$4 million per month will continue to be borne by taxpayers and consumers alike.

2:10 p.m.

There were to be 55 new drug products included as benefits in the September formulary, benefits which we have not been able to provide because of the court action, and we have been unable to adjust prices to reimburse pharmacies for the new federal excise tax on some drug products as a result of the delay.

Today I will introduce two bills into this House, bills which will ensure sound management of the Ontario drug benefit plan, protect all consumers of prescription drugs in Ontario, and re-establish public confidence in our retail drug industry. In addition, I am presenting draft regulations that will be circulated to pharmacists, drug manufacturers and consumer groups for their comments and views.

The Ontario Drug Benefit Act, for the first time, gives government the legislative authority to manage the Ontario drug benefit plan.

The second bill I am introducing today, the Prescription Drug Cost Regulation Act, is consumer protection legislation to ensure that high-quality, low-cost drugs are available and accessible to the Ontario public.

Under the first bill, the Ontario Drug Benefit Act, government will be given legislative authority to determine what drugs are to be included in the Ontario drug benefit plan, who is eligible to receive drug benefits, and the prices that government will pay for drugs listed in the ODB formulary.

I recognize that the major chains and larger operators may be able to negotiate volume discounts which are unavailable to some of the smaller independent pharmacies. This new act provides flexibility so that no pharmacy operator will be reimbursed for drugs dispensed under the ODB plan at a level lower than what pharmacies pay for drugs. Together with a fair dispensing fee, this will help to ensure the continued economic viability of small, independent pharmacies and recognize the contribution they make

to our health care system. The legislation requires pharmacy operators to validate their costs for drugs, if required, and the ministry is given authority to inspect and audit pharmacy records for consistency and accuracy.

Finally, the Ontario Drug Benefit Act provides for fines of up to \$10,000 for individuals and \$50,000 for corporations if they contravene the act.

With every expectation that this proposed legislation will be approved by this House and become law, I have instructed ministry representatives to meet with drug manufacturers and collect the information necessary to produce a formulary with realistic drug prices.

I am also concerned that a fair and equitable dispensing fee be negotiated for Ontario pharmacists. Representatives of my ministry and representatives of pharmacists are continuing their discussion on this matter, and I am confident that a mutually acceptable agreement will soon be reached.

I wish to stress the urgency of moving quickly with this bill. My intention is to produce a new formulary for January 1, so that additional drugs can be included as benefits and prices adjusted to reflect the federal excise tax on certain drug products.

The second bill, the Prescription Drug Cost Regulation Act, governs all drug purchases made in Ontario whether under the ODB plan, a private drug plan or in the cash market.

Under this act, government can designate which drugs are interchangeable. These decisions will be based on the recommendations of the Drug Quality and Therapeutics Committee, an external advisory group to the Minister of Health, composed of physicians, pharmacists and pharmacologists. Except where a physician has written specifically, "No substitution," pharmacists will have to inform customers about their right to request an interchangeable drug. Pharmacists will then be required to fill prescriptions according to the customer's choice.

The regulations to this act will require that all interchangeable drugs dispensed by Ontario pharmacists to cash-paying customers will be sold at cost plus a reasonable dispensing fee. For the cash market, pharmacies are free to establish their own dispensing fee for interchangeable drugs and this fee is to be registered with the Ontario College of Pharmacists. Pharmacies will be required to post this fee prominently and to inform customers about it. For all prescription sales both in the cash market and under the government's ODB plan pharmacists will be

required to itemize the dispensing fee, along with the price of the drug, either on the customer's receipt or the prescription label.

I should point out that this proposed legislation will abolish the one-month-supply limit of prescriptions that now exist under the Ontario drug benefit plan. We estimate that the savings to the Ontario taxpayer from this one regulation alone will be approximately \$10 million per year. Except in special circumstances, all prescription drugs will be dispensed in the entire quantity prescribed.

This legislation also provides for an inspection of pharmacy records to ensure compliance with the act. Once again, penalties of up to \$10,000 for an individual and \$50,000 for a corporation may be imposed for violations.

Our government considers this legislation to be extremely important. The two acts are complementary in that government use of public funds will be more properly controlled and consumer interests in the marketplace better protected. If senior citizens and other eligible people are to continue receiving drugs at no charge, Ontario drug benefit costs must be brought under control and the program more effectively managed.

If benefits are to continue expanding, if more drugs are to be added to the benefit formulary, and if the growing utilization of the Ontario drug benefit plan we expect to occur is to be accommodated, the enactment of this proposed legislation now is required.

Similarly, if consumers in Ontario are to be protected from paying unnecessarily high costs for drugs when lower-cost alternatives are available and if they are to be informed about these low-cost alternatives and make their decisions accordingly, this House must move in all urgency towards the passage of this legislation.

REMOVAL OF WINES

Hon. Mr. Kwinter: Last week I instructed the chairman of the Liquor Control Board of Ontario to inform the public immediately upon the removal of any product from its shelves for health or safety reasons. I also asked to be informed of any other instances that had not been previously publicly disclosed.

Yesterday morning my office was contacted by Jack Ackroyd, chairman of the LCBO, who had just learned of a situation that required my immediate attention. It appears that in 1979-80 the LCBO, in the course of laboratory testing, found a substance known as ethyl carbamate in

certain alcoholic products. Ethyl carbamate can occur naturally in some fermented products and it has been established that the use of urea as a yeast booster in wine fermentation results in the creation of ethyl carbamate as a byproduct.

Ethyl carbamate has been shown to produce tumors in a variety of laboratory animals. It is accorded status as a demonstrated animal carcinogen by the International Agency for Research on Cancer and I am advised it would be prudent to treat ethyl carbamate as a potential human carcinogen.

It was apparently decided at the LCBO to prohibit the use of urea by Ontario wineries. No public statement was made at the time and no product was removed from the shelves. To the best of my information, in 1982 this matter arose again at the LCBO and it seems the LCBO staff clearly identified its concern about the continuing high levels of ethyl carbamate found in certain products. Notwithstanding this, it appears no product was removed from shelves and no public statement was made until today.

Yesterday Mr. Ackroyd informed me that ethyl carbamate continues to be found in some LCBO products at levels that are of great concern to me.

This situation causes me concern. As I indicated to this House last Thursday, I have a great deal of concern about the need for the immediate public disclosure of information about a substance that might be a health risk. The fact that information concerning ethyl carbamate was known to the LCBO for a number of years and not disclosed is very troublesome.

I am concerned that the lack of information on the tolerable levels for ethyl carbamate makes it very difficult for me to arrive at an acceptable level for human consumption. From my preliminary discussions with Dr. Lesbia Smith, the medical consultant in toxicology with the Ministry of Health, it would appear the level of 500 parts per billion is a cautious and conservative safety level to be applied in cases of this kind. I want to emphasize this is an interim level to be applied pending further study. My staff has contacted the Ontario Medical Association and the Canadian Centre for Toxicology to seek further advice concerning a tolerable interim level.

2:20 p.m.

Upon being advised of this situation, I immediately called a meeting of Ontario winery representatives and the Wine Council of Ontario to discuss the matter. These representatives agreed with my recommendation that any prod-

ucts above the level of 500 parts per billion of ethyl carbamate be withdrawn today and held pending the outcome of an investigation of this situation.

In addition to Ontario products, there are also a number of imported products which exceed the 500 parts per billion level. A great deal more work is necessary before we can be sure of an appropriate standard. The following steps are being taken to deal with this matter:

Yesterday I ordered all identified products above the 500 parts per billion level be withdrawn from Liquor Control Board of Ontario stores, and that was done this morning.

As a result of my meeting with industry officials last night, the industry is immediately withdrawing the identified products from their own store shelves. The industry will not use any of the older blending wines which are suspected of containing high levels of ethyl carbamate until they have had an opportunity to test them.

The LCBO laboratory staff will be working all weekend testing samples. They will continue to do so until we are satisfied they have identified all products that contain excessive levels of ethyl carbamate. To expedite this process, I have authorized the use of outside facilities and I will make public the comprehensive list.

The Canadian Centre for Toxicology has been asked to study this problem and to recommend safe levels of ethyl carbamate for alcoholic beverages. I have asked the chairman of the LCBO to contact all other provincial liquor authorities and other officials affected by our action.

The list of the seven Ontario products and three imported products containing more than 500 parts per billion of ethyl carbamate, of which we are currently aware, is now being made public. If additional products are identified as being at or beyond that level, they also will be disclosed. As well, any consumer who wishes to return the identified products will receive a refund from the LCBO.

As I have indicated in this statement, I am greatly disturbed with how this situation came to pass and how best to deal with the related health issues. To address these matters, I have contacted the Attorney General (Mr. Scott), who, in turn, has spoken to the Chief Justice of Ontario in connection with the establishment of a judicial inquiry.

The inquiry will be asked to review immediately our interim level, to recommend any adjustments that may be justified pending a final determination of an acceptable standard and to

report back to me as soon as possible. It also will be asked to establish an acceptable standard, and this may take considerable work. The Canadian Centre for Toxicology will report directly to the inquiry.

The inquiry also will be asked to review the practices and procedures of the LCBO that led to this information being withheld and to recommend changes that are necessary. In this regard, the other cases of failure to disclose publicly the products which had been removed because of possible health risks also will be submitted to the inquiry for consideration and recommendations.

FARMERS IN TRANSITION PROGRAM

Hon. Mr. Riddell: I wish to announce yet another of the initiatives undertaken by this government to help the farmers of this province through some rather difficult times.

In his budget, the Treasurer (Mr. Nixon) indicated that my ministry would be undertaking a \$6-million program for farmers in transition. The five-part program will represent assistance for two groups: farmers who are discontinuing business because of severe financial problems and those who need assistance in making changes to enhance their chances of success.

The adjustments now taking place in agriculture because of low commodity prices and high input costs are expected to result in several hundred farmers losing their farms this year. This means losses of jobs, homes, sources of income and savings. We hope to stem this and, where it cannot be stopped, assist the farm family to re-establish.

By way of background, the members may know there is a moratorium on Farm Credit Corp. initiated foreclosures pending a review of the Farm Credit Corp. mandate. That review and a decision regarding debt review boards and amendments to the Bankruptcy Act are due about the same time. While we are waiting for federal action in these areas, and that is the only jurisdiction legally able to take those steps, Ontario will proceed with its program.

As a first step in the farmers in transition program, commonly called FIT—and we would like to think it is fit for the times—Ontario will temporarily defer action against farmers in financial trouble. The deferral means that collection calls will not be made and legal action will not be taken on arrears of Junior Farmer Establishment Loan Corp. mortgages and lease with option to purchase agreements under the farm enlargement program.

In addition, provincial requirements for action on guarantee claims under option C of the Ontario farm adjustment assistance program will be temporarily lifted. Up to 400 farm families will be affected by this decision, which is effective immediately. This move will ensure that farmers are not forced out of business because of provincial action before they have had the opportunity to take advantage of the federal activities mentioned, and also the provincial initiatives which will be in place later this month.

I am inviting the lending institutions to join Ontario in withholding action on option C under the Ontario farm adjustment assistance program. I have met with all the chartered bank officials during the last few weeks, and there will be a further meeting with the Canadian Bankers' Association at the end of this month. The temporary deferral will remain in effect until January 15, 1986, or until the federal government lifts the moratorium on Farm Credit Corp. foreclosures, whichever comes first. The province will reconsider its position if there is not any federal action by January 15.

Four other actions to assist farmers in dealing with the financial and emotional stress caused by today's difficult financial situation are as follows:

A one-window approach will be set up for farmers seeking information on how to deal with stress, how to locate professional assistance in dealing with creditors and to help them understand their rights and obligations. This will consist of a hotline which farmers can call a Zenith number, anonymously if they wish, for advice 24 hours a day. It will be located outside Toronto and staffed by my ministry personnel, who will be on duty from 9 a.m. to 5 p.m. For the rest of the day an answering service will take calls and relay them to staff who will call just as soon as possible.

Staff will advise farmers of the location and availability of assistance close to home or of help available from other ministries and the federal government. We expect this service to be in place on December 1.

The third step is the hiring and training of independent farm family advisers. Currently, many farmers in financial distress have difficulty sorting out their problems and recognizing possible solutions. Because of lack of funds or the absence of skilled professionals, they have no opportunity for independent advice. This service will consist of farmers who understand the business giving an outside viewpoint to farmers in financial difficulty. The advisers will review

the farm operations, help the farmer recognize what action must be taken and assist the farmer to find and access realistic options. They will also assist the farmer in the development of an action plan.

I am pleased to inform the honourable members that this peer counselling will be overseen by a board of directors. The five-farmer board will review policy issues and make recommendations, review adviser reports, recommend some farmers for the advisory service, evaluate the advisers' work and hear complaints from farmers who believe they have not been well advised.

Another step is to make farmers more aware of assistance under the current farm operation credit assistance program. The chartered banks have agreed that every eligible farmer who does business with them has the right to have his case reviewed under FOCAP. This does provide a third-party review of the viability of a farmer's operation before any action is taken by the creditor. This process will be enhanced by the farm family advisers I mentioned earlier. The advisers can help the farmer develop and present a plan that has a chance for success.

2:30 p.m.

My ministry will undertake an enhanced awareness campaign to tell farmers of their rights and responsibilities, let farmers know how to access their rights if they have problems and highlight the key features of this existing third-party review system. The reviews may be conducted by the provincial decision committee, which is made up of highly respected farmers. Their deliberations carry considerable weight with lenders.

The fifth step is re-establishment assistance. This initiative is for farm families who have had to discontinue working in agriculture because of financial problems. We want to assist them to become re-established in some other endeavour. The program has several components.

The first is to offer advice on how to access various social services and employment assistance programs offered by the provincial and federal governments. The program will also provide eligible farm families with financial assistance during the period of job search and further financial and counselling help to enhance their employment opportunities. I hope to have these initiatives operational early next month and I will be announcing more details nearer that time.

These measures will work in concert with the \$50-million Ontario family farm assistance

program I announced this summer and with plans nearing completion on national tripartite income stabilization. We also have an interministerial task force on agricultural finance in operation, which will report next February. Taken together, they form a comprehensive package of initiatives that will substantially help our hard-pressed farming community.

Mr. Speaker: I understand there is a further statement. However, I must point to standing order 64(k), which states that only 30 minutes is allowed for ministerial statements unless the members of the House are agreeable to extend that.

Mr. Harris: Mr. Speaker, I have been given a note that there is one more statement of two pages. If that is the case, our party will not object.

Mr. Speaker: Is there agreement by the members of the House?

Agreed to.

ST. CLAIR RIVER

Hon. Mr. Bradley: I would like to bring members up to date on developments in the St. Clair River situation. First, let me clarify the three investigations into environment-related matters in the region that relate to this.

My ministry's own investigations and enforcement branch conducted an investigation of the August 1985 perchloroethylene spill into the river. That probe is just being completed. Dow Chemical Canada Inc. has been charged in connection with this spill.

As well, the Ontario Provincial Police are investigating some circumstances surrounding the movement of waste from facilities in southeastern Ontario to the Sarnia area and then into the United States.

Additionally, my ministry has taken a hard look at our own abatement and enforcement efforts along the St. Clair River, including the matter of the toxic sludge at the bottom of the river. To my knowledge, there is no police involvement in the oily sludge situation.

The chemical valley in Sarnia has been causing environmental problems for a number of years now. The presence of a range of chemicals in St. Clair is an ominous reminder that significant remedial action is needed.

The range of chemicals found in sediment, raw water and an oily sludge, or so-called blob, includes certain forms of dioxins and furans. However, it is important to point out that none of these chemicals has been found in the treated water and that the most toxic form of dioxin,

2,3,7,8-TCDD, has not been found in the treated water, raw water, sediment or oily sludge.

I want to assure the House that I have set out an aggressive program for my ministry aimed at cleaning up the area. Let me outline some of the measures under way. Others will be forthcoming as the exact dimensions of the problem become clear in the weeks ahead.

I have today approved removal of the so-called blob. On October 18 my ministry received a proposal from Dow to vacuum sediment that contains puddles of contaminated oily material. Recognizing the importance of the cleanup, my ministry has carefully but promptly reviewed the proposal in consultation with Environment Canada, the Michigan Department of Natural Resources, Wallaceburg, Walpole Island, Windsor, Amherstburg and the area medical officers of health.

Our approval of the removal of the sediment is subject to conditions and certain actions that have been and will be taken by my ministry in monitoring this project. This cleanup covers the area occupied by the so-called blob and should result in its virtually complete removal.

This action includes the promise of powdered activated carbon facilities at the water treatment plants at Walpole Island and Wallaceburg. Further action includes a rigorous sampling and monitoring program by my staff and a communication link with interested parties.

The approval and conditions are being conveyed to Dow by a letter from my regional staff and will permit the project to begin as soon as equipment can be mobilized and weather permits. It is anticipated the project could commence as early as next week.

The Detroit-St. Clair-St. Mary's rivers project team created by my ministry is working to improve water quality. It is assessing water quality, identifying contamination sources and taking measures to reduce chemical contamination.

I have requested the ministry's investigations and enforcement branch to conduct a thorough investigation into the improper disposal of chemical wastes in salt caverns. Also, I have asked the Detroit-St. Clair-St. Mary's rivers team to undertake studies to determine types of contaminants in the deep wells and to determine if the contaminants are moving through fissures into ground water or the St. Clair River.

The project team is putting together an inventory of potentially hazardous waste disposal sites in the region. It will assess the potential surface and ground water problems associated

with those sites to determine the need for additional monitoring.

All control orders and certificates of approval in the chemical valley are being reviewed. My ministry will assess the adequacy of these controls and require improvements where necessary. I anticipate significantly lower waste loadings of the river will result from this initiative.

A joint provincial-federal program has been implemented to monitor point sources on the Detroit River. The program will focus next on the St. Clair River. It will enable us to determine further monitoring needs and identify substances requiring additional controls. Covered by the survey are 18 industries and nine municipal sewage treatment plants, which will also include the St. Mary's River.

Future activities of the project team include expanded monitoring of ambient waters, year-round sampling of water quality, status reports on St. Clair River quality and an inventory of agricultural practices and their effects.

The ministry's project team and staff from other branches are active members of committees of the upper Great Lakes connecting channels study. The study, undertaken by the US Environmental Protection Agency, Environment Canada, the Ontario Ministry of the Environment, the state of Michigan and the city of Detroit, will determine the existing environmental condition of the aforementioned rivers and Lake St. Clair. The study includes 69 projects ranging from sediment sampling and analysis to determining the adequacy of control programs.

My ministry's Sarnia office has been upgraded and will be expanded further, both to reflect the importance we attach to the St. Clair River cleanup and to make that cleanup happen.

These are just some of the measures we have taken and are planning. I want to assure the House that this region has been given a priority for prompt remedial action.

PREMATURE DISCLOSURE OF COMMITTEE REPORT

Mr. Morin-Strom: On a point of privilege, Mr. Speaker: I feel my privileges have been infringed upon by the leak of a confidential report of the select committee on economic affairs to the Toronto Star yesterday.

The New Democratic Party members took care to ensure that our dissenting report did not get leaked, but the majority report apparently has been.

I would ask that the Speaker investigate the circumstances of this leak and report back to the House.

Mr. Speaker: I feel the member has a point of privilege and I appreciate his suggesting that the Speaker investigate. I would like to suggest that the member make a motion that it be referred to the standing committee on procedural affairs and agencies, boards and commissions.

Mr. Morin-Strom: Agreed.

Mr. Speaker: Mr. Morin-Strom moves that his point of privilege be referred to the standing committee on procedural affairs and agencies, boards and commissions.

Mr. D. R. Cooke: I rise as chairman of the select committee on economic affairs. I, too, was surprised and shocked to read the article on the front page of today's Toronto Star. I have no idea of its source. If it is of any assistance to the House, I will be tabling the interim report from the select committee on economic affairs at the appropriate time this afternoon.

Hon. Mr. Nixon: This is a very interesting and innovative approach that I do not recall happening. I just checked with the Clerk of the House and he tells me it is perfectly in order and the motion apparently does not have to be seconded. The member is placing a motion that a matter before the House be sent to the procedural affairs committee.

2:40 p.m.

Mr. Harris: I guess we are in favour of open government. I am not exactly sure of the procedures. I am not sure how we got the motion. I am not questioning it, but if that is where we are at, can we have the motion read? I am not sure we had any advance notice of it, and I gather we are being asked to vote on something that has been brought up just now.

Mr. McClellan: If it is any help to my colleague, the motion is that the matter of the premature leak of the report of the select committee on economic affairs prior to the report's tabling in the House be referred to the procedural affairs committee.

Hon. Mr. Nixon: On the original point of order or on a point of order, Mr. Speaker: It was of great assistance to me when the Clerk said the fact that the Speaker found this to be a breach of the privileges of the House makes the motion from the honourable member in order. I was not aware of that, and it makes a lot of sense to me.

Mr. Speaker: I think it is only fair, however, to ask whether all members are particularly familiar with what is contained in the motion.

Some hon. members: We are.

Motion agreed to.

ORAL QUESTIONS

REMOVAL OF WINES

Mr. Harris: I have a question for the Minister of Consumer and Commercial Relations with regard to his statement today. On behalf of our leader, I thank the minister and the Premier (Mr. Peterson) for the advance information we received on this most serious matter.

I also wish to thank the officials who were kind enough to brief fully our staff and others in our caucus. As a result of this advance briefing, it has become quite apparent that none of the ministers or deputies of the day were made aware of this situation, and we have no hesitation in endorsing the inquiry into the role of the Liquor Control Board of Ontario in this case.

That having been said, can the minister tell the House what is being done immediately to ensure that similar unfortunate situations such as those that have occurred in a number of other countries and may involve public health are avoided? Can the minister assure the House that the reporting responsibilities of the LCBO now will clearly be defined?

Hon. Mr. Kwinter: In my statement I said that as part of the terms of reference I am going to address to the judicial inquiry, I am going to have it look into all the procedures to come up with guidelines that should be used. Even before that commission reports, as I announced last Thursday, I have instructed the chairman, Jack Ackroyd, to take a look at the procedures to make sure he does all he can to tighten up the procedures and to report to me so that I, in turn, can keep this House and the public informed.

Mr. Harris: To ensure that all food products, all liquors and other products consumed in Ontario are safe, will the minister look into the possibility of consolidating and centralizing the various laboratories run by the province, which now are in a number of locations and under various jurisdictions, to help ensure that the best medical minds at our disposal are brought together in one place to deal with this critical issue?

Hon. Mr. Kwinter: I will certainly look into that, and I thank the honourable member for his suggestion.

Mr. Rae: On the basis of the information the minister has today, can he tell us who did know and did nothing? The minister must have certain information that led him to insist on an inquiry.

Surely it is up to him now to come into the House and come clean and tell us precisely who at the LCBO did know about the presence of ethyl carbamate. Why did they not tell anybody about it? How long has this been kicking around unknown to anyone?

Hon. Mr. Kwinter: That is exactly what the judicial inquiry is going to find out.

Mr. Harris: Can the minister assure us that to his knowledge this problem is limited to those few products that were removed from the shelves today? Is it a widespread problem in Ontario wines or any others wines on our province's shelves?

Hon. Mr. Kwinter: I cannot give a definitive answer to the member. Ports and sherries are suspected products, and those are the ones that have been investigated. We have examined all the ports and sherries from Ontario and all those imported. This weekend we are going to be examining all the products. All members should be aware that in many products there are background traces of ethyl carbamate. We are concerned about excessive levels, and to know what a safe level is, we are looking into all aspects of that problem.

ST. CLAIR RIVER

Mr. Brandt: I have a question for the Minister of the Environment with respect to his statement in the House today. He indicated that he has asked, and I am quoting from his statement, "the Detroit-St. Clair-St. Mary's rivers study team to undertake studies to determine types of contaminants in the deep wells and to determine if the contaminants are moving through fissures into ground water of the St. Clair River."

Before I ask my question, I want to say that I welcome the statement of the minister with respect to certain actions he is taking. A great number of them had already been taken by a former minister and a former ministry.

One of those actions concerns my question, which relates to a matter I am sure the minister is aware of; that is, the development of five monitoring wells, which were put into place by the industries in concert with the Ministry of the Environment with the specific purpose of monitoring any offsite leachate or any migration of contaminants from wells.

Can the minister tell us today whether he has any reports to indicate that any such leachate or offsite migration is occurring, since these wells have been in place for about the past year?

Hon. Mr. Bradley: Some of those wells have been in place, and we had been testing before this

matter came to light in the House. To this time, we have been unable to determine whether there is evidence that those wells are the cause. However, the testing is incomplete. We have not ruled out the possibility that the contamination found in the river, in those oily puddles, might well be from the old pressure wells, which have been in existence for some time.

Mr. Brandt: With respect to the water quality, particularly drinking water in Wallaceburg and in some of the downstream areas, the minister has stated that the water is perfectly safe to drink and meets all standards.

Does the minister have any reports at his disposal which he is prepared to table in this House and which would indicate any deterioration in the water quality? Is the opposite the case? Does the Ministry of the Environment have any reports that would indicate the water quality has been improving over the years rather than deteriorating? Which position is it?

2:50 p.m.

Hon. Mr. Bradley: Because of the kind of testing that has gone on over the years—it has not been as extensive as we would have liked—that is difficult to determine. There had been a general perception that there was an improvement in the overall quality of water until we found what some people call a blob, these oily patches at the bottom of the river, or the sludge. This has made us think the results which indicated there perhaps was an improvement in the water quality can be called into question as a result of these findings.

Until such time as there is a very extensive review—and, as the honourable member knows, Environment Canada is doing some investigating, as we are—and until such time as we can determine the extent of that specific problem and those specific findings, we will not be able to make that judgement.

I can say that because of what we have found in our testing in that area, where we find those oily patches at the bottom, I am very concerned that we have substances in the water that should not be there; that is why I want to take all these precautionary and cleanup measures.

Mrs. Grier: I am glad the member for Sarnia (Mr. Brandt) has raised the question of the storage in underground wells. His federal counterparts have been assuring the House of Commons that we just have to trust the provincial Ministry of the Environment; so I am glad of his concern.

Can the minister tell this House who gave approval for the disposal or storage of toxic chemicals in underground caverns—or gravity

wells, as I think they are being called—when that approval was given, the nature of that approval and whether the ministry has information about the quantity and nature of the chemicals that are stored in those underground caverns?

Hon. Mr. Bradley: We are talking about two different things. We should delineate what we are talking about. If we are talking about the deep wells, the pressure wells, that is one thing; it is the Ministry of the Environment that gives the approval.

Then there are caverns, which are not pressure wells; I guess they work on the basis of gravity. In most cases, one anticipates that product that has yet to be sold is stored in those. However, it is my understanding that approval was given by the Ministry of the Environment for the storage of the material that Dow has placed in the cavern. We are not talking about the deep wells. I think that is important; I know the honourable member wants me to point that out. That approval was given by the Ministry of the Environment.

Mr. Brandt: I would like to get some indication from the minister. After having released this report in the House today, surely he would have some indication of what the total cost is going to be to his ministry with respect to this very elaborate cleanup program. Can he share those costs with us to give us some indication of what the price tag will be on the actions he is taking?

Hon. Mr. Bradley: I have not been able to determine what that cost will be, but I do want to tell members of the House that whatever cost is necessary to ensure that there is safe drinking water and safe recreational water in the St. Clair River and for those communities downstream will be paid.

ONTARIO PROVINCIAL POLICE INVESTIGATION

Mr. Rae: Two cleanups are necessary; one is the cleanup of the environment, and the other is the cleanup of the ministry. With respect to the second cleanup, can the minister confirm that one of the individuals being investigated by the Ontario Provincial Police is Mr. Dochstader, who is the head of the Sarnia office of the Ministry of the Environment?

Hon. Mr. Bradley: As I indicated to the honourable member in the House earlier, I am not prepared at this time to reveal who specifically is being investigated, because I want to ensure that the investigation is carried out in an appropriate fashion and that it is most effective.

Mr. Rae: There are reports from the OPP in the newspapers that information has been forwarded to the Minister of the Environment. Surely the minister will share my concern that those who are doing the investigation with respect to Dow, the caverns and the blob should not be the ones who are under investigation themselves. That in itself hinders the integrity of the very investigation of the environment that is in place.

Can the minister assure us that individuals who are currently under investigation by the OPP for criminal activity are in no way involved in the cleanup of the environment that he has undertaken and that he has said is under way now in Sarnia?

Hon. Mr. Bradley: I cannot give the member an assurance that any specific person to whom he makes reference is not involved in the operations of the Ministry of the Environment. I can say, and I think this is important for the member to know, that the investigations and enforcement branch of this ministry is deeply involved in that investigation and that the investigation is being directed from the highest levels of the Ministry of the Environment.

Mr. Brandt: I want the minister to know, as I stated in this House previously, that I respect the need for confidentiality with respect to the investigation. I find it totally inappropriate to be using the names of individuals who may or may not be under investigation, as was suggested by the leader of the third party. In my view, it is grossly inadequate for the leader of the third party to be bandying about names in this Legislature.

The shroud of doubt and uncertainty that surrounds the riding I represent and the area I am representing here in the Legislature has me concerned. Can the minister give us a time frame for when those investigations will be completed so we can get back to a normal course of operation in Sarnia and not be paid visits by some hysterical opportunists from another political party?

Hon. Mr. Bradley: I want to ensure that these investigations are completed at the very earliest opportunity for many reasons. One of the reasons, as the honourable member mentioned, is the need for efficiency in the area. We want to ensure that those investigations are completed at the earliest opportunity.

I think it is important to know the investigations we are talking about. If we are talking about the investigation of the perchloroethylene spill, that is an independent investigation being con-

ducted by my enforcement and investigation branch. I believe six charges have been brought against Dow Chemical over that. I cannot promise specifics of that because it will be before the courts.

If we are talking about investigation of Canflow, that investigation has been under way for some time. I expect that investigation to be completed in the relatively near future and the results made known to the public in the relatively near future.

If we are talking, as the leader of the third party has mentioned, about my personal investigation and assessment of the activities of my ministry and the possibility for any improvements in the interests of efficiency and interests of cleaning up as much of the pollution as possible in that area, I can assure him that will be ongoing, but already there are activities taking place within the ministry which are assisting in cleaning up the problem. I want to address the cleanup of the problem.

Mr. Rae: There is a lot of cleaning up that has to take place; we will all agree on that.

I want to ask the minister specifically about the nature of the upgrading in the Sarnia office he has talked about. In the minister's last statement, he talked about a reorganization. My question is about people who have been the subject of an OPP investigation and who are being investigated by the minister's senior staff as part of his investigation with respect to what took place. Are these people still in charge or still playing a role in the Sarnia office? Are they still going to be carrying responsibility for the investigation of what the minister calls the improper disposal of chemical wastes in salt caverns and those questions? Are those people still going to be there?

Hon. Mr. Bradley: I guess I am one of these people who believe a person is not guilty until that person has been found to be guilty in a situation of this kind. I can assure the member that all the appropriate people in my central office and in the St. Clair area are involved in both the investigation and the cleanup activities. The member can be assured by me that effort will not be impeded in any way by the investigation that is going on at present.

2:50 p.m.

ST. CLAIR RIVER

Mrs. Grier: Again, my question is for the Minister of the Environment. I want to get back to the question of caverns and/or pressurized wells and repeat very clearly what this House

needs to know. Can the minister tell us who gave approval to store or dispose of toxic chemicals in either of those facilities? When was that approval given? What is in them? How much of the various chemicals is there at the present time?

Hon. Mr. Bradley: Approval has been given through the auspices of the Ontario government. I think the member understands there is a split jurisdiction. Our ministry is involved, but the Ministry of Natural Resources actually gives the approval for the storage in salt caverns. I do not want to shunt it off somewhere else; I just want to delineate it. The Ministry of Natural Resources approves the storage in the salt caverns, but the Ministry of the Environment approves any disposal. When any disposal takes place, that has to involve our ministry.

Mrs. Grier: Given the suspicion that leakage from those caverns or wells is contributing to the formation of the blob, can the minister assure us that the vacuuming or removal of the blob, as he has described it today, will not contribute to the problem? Given that there is obviously not time for an environmental assessment of the implications of that vacuuming, can he elaborate on the point in his statement where he says conditions have been laid down under which that vacuuming can be done by Dow?

Hon. Mr. Bradley: The member identifies one of the real dilemmas a minister must face in this regard in terms of the cleanup operation that takes place. Does one go in right away and vacuum up the globules that are down there and get the material out as soon as possible with the risk that some side problems might arise, or does one carefully assess the potential problems that could arise? I chose the second course of action, even though it would have been more expeditious to do it immediately.

We have considered those possibilities. We have taken contingency plans into consideration. As a ministry, we feel that it can be vacuumed up, that we can get it and that most of it will be cleaned up. However, I am not one of those people who will stand in the House and say, "I can assure the members that everything will be swept clean and nothing will be left down there."

Our ministry will be monitoring it to ensure there are not those problems. With regard to drinking water, the members who represent places downstream will know from my statement that we have powdered activated carbon available. We have assessed it and it is our feeling it can be done without a problem arising. That is after considerable evaluation of the problem. The alternative would be to leave it there.

Mr. Brandt: With respect to the approval of these wells for either disposal or storage purposes, could the minister share with the House the type of procedure for approval that is followed by his ministry? Is it possible for any one individual to give approval for particular chemicals or substances to be disposed of in a well? Alternatively, is it necessary for the process to involve a number of people in the ministry through various levels who would then have to give their approval before they could proceed with the disposal in the normal fashion?

Hon. Mr. Bradley: There is a fairly intricate procedure that those who wish to use these wells must go through. In years gone by, they had to go through that procedure. If we look at 1985, and I think it is important to bring this up to date, we would want to review those procedures to be assured they were proper. Back in those days, I suppose they were considered to be proper. We may or many not be paying for the consequences according to what the purge wells determine. It is not a simple procedure that a person has to go through. There are several hoops people have to go through.

Mrs. Grier: The minister has identified that the people downstream who take their drinking water from the St. Clair River obviously are vitally concerned about this whole process. Does the minister feel it is good enough to say he will make powdered carbon available to those communities? Why is the minister not considering carbon beds, which we have some assurance can remove those substances from the water?

Hon. Mr. Bradley: I know the member and others are most concerned about dioxin, but there are other products we should all be concerned about. It has been found that many of these materials are removed through the basic process that exists at the present time; that is, the filtration system we have had for a number of years. To install the carbon beds immediately at some great expense, perhaps unnecessarily, would be moving too quickly and too extensively on the problem.

I want the member to know that ultimately, if that were determined to be the need—because there is this ongoing look at a number of areas in the river by Environment Canada and our ministry—as I assured the member for Essex North (Mr. Hayes) in response to his very legitimate question the other day, we would be prepared to undertake that activity. It has been found, as the member will recall in the case of alachlor, for instance, that the powdered acti-

vated carbon had the effect of taking out that contaminant.

ROMAN CATHOLIC SECONDARY SCHOOLS

Mr. Pope: I have a question for the Minister of Education. The minister has been made aware of the reports during the past couple of days with respect to failed negotiations on the matter of the extension of funding to the separate school system. He has no doubt been made aware in reports from different regions of the province that emotions are not abating, that divisions in homes, communities and school districts are continuing and widening.

Will the minister, at the conclusion of the legislative committee hearings on this matter, bring Bill 30 back into the Legislature this fall for finalization of that piece of legislation so there can be some legal certainty?

Hon. Mr. Conway: I want to welcome the member for Cochrane South (Mr. Pope) back to the Legislature from what I know has been a very busy fall.

I do not share his assessment of the education scene in Ontario in the fall of 1985. It is my sense, on the basis of a fair bit of travel, that the Ontario community has adjusted quite well and quite sensitively to the policy this government put before this Legislature on July 4.

The standing committee on social development has been busily at work. Very constructive and positive attitudes have been adopted not just by the committee members but also by the more than 500 groups and individuals who have appeared before the committee. As the honourable member knows, we have a timetable that calls for a continuance of that committee process.

I have indicated on behalf of the government that we will not proceed with clause-by-clause on the bill until the Ontario Court of Appeal makes its ruling, which I expect to be some time late this year or early in 1986.

I am quite proud of my Ontario for the way it has accepted this initiative, which has been endorsed by all parties in this Legislature and, from what I can see, by the vast majority of sensitive and understanding Ontarians.

Mr. Pope: This government has played a sad game with this legislation and with the court processes. The Premier (Mr. Peterson) said on April 19 that it did not matter what the court said, it was going to go ahead. There is no law in place to deal with the rights of individual students, parents, teachers and boards. That is part of the reason school boards are not meeting with one

another. That is part of the reason the government is getting increasing court challenges in this sad game. The minister should get that legislation in place.

3:10 p.m.

Hon. Mr. Conway: For the record, what this government did under the leadership of this Premier in eight days in the early part of the summer of 1985 was to set out very clearly a thoughtful and sensible multifaceted policy in this connection, which I believe is being well received by the vast majority of Ontarians and which, I must say again, is vastly more than that party did in 13 months while it was charged with the responsibility of this historic initiative begun by Premier William Davis in this assembly on June 12, 1984.

SUMMER WAGES

Mr. Morin-Strom: I have a question for the Minister of Natural Resources about his ministry's tree-planting contracts and unpaid wages.

If the minister has investigated the case I brought to his attention on Tuesday evening, he will know that 160 young people and native Canadians have planted trees for that contractor but only 15 have been paid wages to date. On Tuesday, the minister made a commitment to do something in a monetary way for those young people who have been taken advantage of.

Can the minister now guarantee that these workers will receive the full wages due to them?

Hon. Mr. Kerrio: In responding to the honourable member's question, I have to say the reason we are here and the reason we have the problem is because of the loose contracts made by that former government. There was no guarantee under those contracts that young people were going to be paid and we are endeavouring to do that—in fact, we are going to do that—before those contracts are given again. Before those contracts are let next year, we shall be assured that those people are going to be paid.

In direct response to the question, I made a commitment here in the House and I shall respond to and meet that commitment. The problem I am having is a little more complex than saying "Yes" and putting it in motion. Yes, I intend to do that. It is going to take a little longer because of the complexity, but the member can rest assured that all those young people are going to be paid for working for this government.

Mr. Morin-Strom: This is a serious problem affecting 145 workers, mainly students, who planted trees near Atikokan, Kapuskasing, Chapleau and Thunder Bay, but it also applies to

others who worked for five other contractors across northern Ontario. This has been a problem for at least three years in this ministry. It is more than just ironing out wrinkles.

By what date will full pay be received by each worker who planted trees on the minister's behalf this summer across northern Ontario?

Hon. Mr. Kerrio: I have made the commitment but I cannot give a time frame. As recently as in the last 15 minutes I have talked with the Minister of Labour (Mr. Wrye) and he is bringing forward all of his pressure—

Interjections.

Hon. Mr. Kerrio: Listen. Where are my friends over there when I need them now that I am looking for help?

The matter is most serious. We shall address ourselves to it and immediately notify this House. I thought I would be doing that this week. I am disappointed that I cannot, but I will do it at the very earliest time.

TEACHERS' LABOUR DISPUTES

Mr. Ferraro: My question is for the Minister of Education and pertains to the teachers' strike in my constituency which is approaching its 40th day and is affecting 8,200 students and their families.

I believed the Education minister when he said none of the students would lose his or her year as a result of this strike. Today, however, I have great cause for concern as a result of a radio broadcast in my municipality of Guelph that the University of Guelph plans to scrutinize on a case-by-case basis in particular those students in the semester system affected by the strike who make application to the University of Guelph.

Mr. Speaker: Question, please.

Mr. Ferraro: I am coming to the question. The speculation is that the University of Western Ontario and the University of Toronto are going to have the same type of scrutiny.

What specific action is the Minister of Education prepared to take today, perhaps in conjunction with the Minister of Colleges and Universities (Mr. Sorbara), to assure the students who apply to all the colleges and universities in Ontario, and in particular to guarantee the families and students affected by this strike—the innocent victims in Wellington county and Grey county—that when they apply to the colleges and universities in Ontario they will not be subjected to any abnormal scrutiny by those institutions and will be treated the same as everybody else.

Hon. Mr. Conway: I want to indicate to my friend the member for Wellington South that I am aware of the situation in the ongoing dispute in Wellington county. I should indicate to him that the Council of Ontario Universities has made it clear that all reasonable efforts will be made by universities in Ontario to accommodate the students involved.

I repeat what I believe the members of the House know, that over many years of experience with Bill 100, no student in this province has lost a credit as a result of a secondary school dispute. In a statement released yesterday, the Council of Ontario Universities indicated again that it will undertake to ensure that students affected are treated very sensitively and reasonably.

I might add that this is yet another reason both parties in Wellington and Grey counties should take their local responsibilities seriously and return to the negotiating table to resolve these difficulties, so that the 13,000 students affected are not put in this kind of situation.

Mr. Ferraro: I am not quite sure whether I can go back to my taxpayers and students and say they are going to be treated the same. When they say "reasonably and sensitively," does that mean they are going to be subjected to something over and above someone from, for example, Windsor who is not on strike and makes an application to those universities and colleges?

Hon. Mr. Conway: The Council of Ontario Universities said as recently as November 4 it will be very sensitive to the students involved and will look carefully at the situation of the applying students. I have every confidence that in this case the universities of this province will do what they have done in the past and be very supportive and reasonable in their treatment of the applications from those students.

As the honourable member knows, once the dispute is settled, not just the universities but the schools and school boards can take action to minimize the difficulties and damage done to the school system and to the students involved.

Mr. J. M. Johnson: As the member for Wellington South has said, tomorrow is the 40th day of this strike. Talks have broken off again but I understand they are rescheduled for Sunday.

In view of the fact that the board and the teachers have failed to reach a settlement in nearly two years, I am not optimistic they ever will reach a locally negotiated settlement. Will the minister invite both parties to meet with him and impress on them that they have a responsibility and obligation to the students of this province? Many of the young people are leaving

the school system daily in frustration. For the sake of the students and parents, will the minister do that much?

Hon. Mr. Conway: As my friend from Mount Forest indicated in his question, the mediator will be returning with both parties to the negotiating table in Wellington on Sunday of next week. I hope between now and then my friends the members for Wellington-Dufferin-Peel (Mr. J. M. Johnson), Wellington South (Mr. Ferraro), Grey (Mr. McKessock) and Grey-Bruce (Mr. Sargent) will return to their constituencies and repeat my strongly held view that both local parties have a clear and discernible obligation to their students and their communities to return to the negotiating table and work this out between themselves.

I am quite happy to report to the member for Wellington-Dufferin-Peel that in the case of Wellington both parties will be returning to the negotiating table with the mediator on Sunday.

3:20 p.m.

REPORT ON PRIVATE SCHOOLS

Mr. Davis: Several weeks ago, the minister stated he would not fund private schools in this province, but today he has indicated to this House that he intends to hold hearings throughout the province. I would like to know the purpose of those hearings. What agenda will be on the table? Will it be Dr. Shapiro's report or will it be the minister's policy of not funding?

Hon. Mr. Conway: I am delighted to have a question from my colleague the member for Scarborough Centre. What I said in Cobourg on December 19 and 20 and what I have said elsewhere in the course of this past three or four months is that within the context of Bill 30 we do not intend to fund private schools. At the present time, government policy is to complete the funding of the last part of the separate school system, which is constitutionally provided for and which has been receiving public funds in this province since the early 1840s.

I said in Cobourg and elsewhere that I would look forward to the receipt of Dr. Shapiro's report, which I am placing before the assembly today. It is a most interesting and wide-ranging report, and I am putting it before the Legislature and the province for consultation and response.

Mr. Davis: Does the minister not believe the people of Ontario will believe the hearings will become a sham since he and his government have already decided they will not fund private schools, yet they are asking people to come

before a committee and express their concerns and interests?

Hon. Mr. Conway: I simply want to say to my critic from the official opposition that Dr. Shapiro is to be commended for an outstanding piece of work that I know will be of great interest to this assembly and the province. I am anxious for as wide a consultation on the 61 recommendations as possible. I know my friend the member for Scarborough Centre would be the first to agree that, given the range of recommendations, we as a Legislative Assembly would want to hear from the people on these particular recommendations. It is in that spirit I am putting it before the public for the consultation I have described.

ST. CLAIR RIVER

Mr. D. S. Cooke: I have a question of the Minister of the Environment. This morning we met in Sarnia with some concerned people who live not only in Sarnia area but also downriver from Sarnia. Contrary to what the member for Sarnia (Mr. Brandt) said, their reaction is not hysterical; it is completely reasonable.

I would like to ask the minister why the people downriver from Sarnia should have any more confidence that the quality of their water is going to be protected when the people in charge of the investigation, in terms of how the cleanup is going to take place and what has caused this environmental disaster, are the same people who have been in charge for many years and who remain in charge.

What assurances can he give to us, as the people who represent these thousands of people, that we will go beyond simply sampling on occasion? How often and where will the sampling take place? Finally, I would like to ask the minister who is in charge—

Mr. Speaker: Order. I believe six questions are enough.

Hon. Mr. Bradley: I will pick a couple of them and see whether I can answer them.

The first question I heard was how can the people of the member's area have confidence if many of the same people who were involved previously are still involved. I can assure the member that I have given direction to our ministry at the very top level to undertake a wide variety of activities which involve a large number of people. Those people are here in the office in Toronto. They are involved in the laboratory. They are people who have been brought into that specific area and people in the area at the present time.

I want to say at this point no one from the ministry has been charged. I think the leader of the member's party referred to specific people who have been under investigation, but no one has been charged from our ministry. There is a co-ordinated effort taking place. I am aware of that effort. The senior members of my staff in Toronto are aware of that effort. I am confident the way it is proceeding at this time is such that we are taking every action necessary to ensure there is a cleanup as soon as possible and that the drinking water is kept safe.

Mr. Hayes: There is also another concern, and that is for the people on Walpole Island. We spoke to the Indian chief out there today. He was very much concerned about what is going to happen to their livelihood. They depend a lot on the wildlife, the tourists and the fishing industry. What is the minister prepared to do to assure these people that the wildlife, the fisheries and their tourist industry are going to be protected for them?

Hon. Mr. Bradley: Without going into more great detail and being repetitious, in my statement I indicated a number of activities that will be undertaken. They are primarily concerned with ensuring that the water in the St. Clair River area is safe. They point to cleaning up what is there at the present time, in conjunction with Environment Canada, undertaking an investigation and a cleanup as soon as possible.

Those activities also relate to looking at what certificates of approval and what control orders are in effect at the present, looking at all the point sources and determining whether the certificates of approval and the control orders are adequate. If they are not, I clearly indicated that they would be changed drastically. We are also looking very carefully at investigating any possible migration of material from the old deep wells into areas where that material should not be.

We are undertaking a number of activities along there designed to clean up the river and to ensure that there is no more effluent going into it. I think those activities will be successful. I understand at the same time, however, the concern expressed by the people of Walpole Island or anywhere along there. They have a right to be concerned and they have a right to know what we are doing, and we are undertaking that action.

Mr. Mancini: I have great confidence that the new Minister of the Environment will clean up the mess he has inherited.

In order that all the people who live downriver be very well informed and be as knowledgeable

as we are about this situation, will the minister undertake to write a detailed letter to every municipality that may be affected and to the local news media outlining what he has found, what he intends to do and what he has done up to now to ensure that the drinking water is safe?

Hon. Mr. Bradley: I think that is a very important activity for me to undertake and it is a very legitimate question. I can assure the member for Essex South that we will engage in widespread consultation and information with the people in the area and that I will tell them everything our government is doing to act on this most serious problem.

Mr. Hayes: A point of privilege, Mr. Speaker.

Mr. Speaker: Order. A point of privilege? What in the world could that be?

Mr. Hayes: I would like to ask the member to extend this information in those ridings—

Mr. Speaker: Order.

HELP CENTRES

Mr. Gillies: My question is for the Minister of Skills Development and it concerns the unemployment service centres that are supposed to be funded by his ministry and serve thousands of unemployed people across our province. My question is surrounding the situation where apparently his ministry has a different set of rules and funding criteria for each of these centres. Some centres are receiving 100 per cent interim funding and some are receiving 50 per cent matching funds. He personally told the St. Catharines centre it would receive 100 per cent funding and then four days later he changed his mind. He sent 100 per cent funding to the Brampton centre and then asked for it back.

Can the minister now tell this House what his policy is for funding the unemployment service centres? Is he going to make sure that these centres receive the funding in an equitable fashion right across the province?

3:30 p.m.

Hon. Mr. Sorbara: The honourable member is receiving the wrong plain brown envelopes once again. I certainly at no time told the St. Catharines unemployed help centre that it would be receiving full funding. I met with representatives, I heard their problem and I was very sympathetic to their problem. I suggested that I would review the funding.

There was an interim period during the summertime when certain centres had extreme difficulties. This was when we were entering a

new funding phase. The normal course is 50 per cent funding. There was a very difficult problem for certain centres and, in order to maintain those centres which were under threat of closure, we made centre-by-centre provisions to make sure all the centres could get over that difficult period and that they would maintain the good work they are doing in their communities.

Mr. Gillies: I suggest the problem goes a little deeper than the problems the centres are having. The minister wrote to the St. Catharines centre on October 21, saying, "The information you received from the ministry regarding interim funding was confusing, if not misleading." He knows there is a problem within the ministry in administering this program.

I would like to ask him specifically about a program administered through one of these centres. The Brantford centre, which is on the endangered list because of the funding difficulties, has been operating a food bank as one of its programs to aid some of the hardest-hit, most disadvantaged people in that community. The criteria the minister announced for the program indicate these centres should be moving in social assistance to people most in need.

Will the minister tell me why officials of his ministry told the centre it could not continue to operate the food bank under his ministry's grant? Will he—

Mr. Speaker: The minister. Order.

Mr. Gillies: Will he here and now—

Mr. Speaker: Order.

Hon. Mr. Sorbara: I must confess I was not aware that ministry officials had ruled out the possibility of operating a food bank. I will look into it and report to the member. I do not think it is an activity which ought not to be conducted in appropriate circumstances. I am willing to look into it and make the appropriate accommodation.

Mr. Mackenzie: Has the minister responded to the request to meet with officials of the Labour Council of Metropolitan Toronto and the Ontario Federation of Labour about the unemployed centres in Toronto?

Hon. Mr. Sorbara: I already have met with those representatives. I am not aware at this moment whether an additional request has been coming in. We are at this point reviewing a program which had a temporariness about it but which has become deeply rooted in the community. I am very sympathetic to the work the help centres are doing. I do not think they ought to become totally dependent on this government for funding. The funding arrangements which exist

now are equitable, but we have to look further down the road. They are becoming very important to communities where the crisis of unemployment has hit harder than in other communities.

HOTLINE FOR BATTERED WOMEN

Ms. Gigantes: I have a question for the minister responsible for women's issues. The minister has been saying informally and outside this House that he "will make spaces on a temporary basis available" for any woman who is turned away from a battered women's shelter. Will the minister outline the steps being made to provide for battered women who call for assistance and cannot find shelter? Will he fill us in on who is co-ordinating and paying for these emergency assistance measures?

Hon. Mr. Scott: The reality is that the Minister of Community and Social Services (Mr. Sweeney) is co-ordinating a program to ensure that anybody who responds to the Zenith telephone line as a result of the advertisements and is unable to find space will be referred to a situation where there is a space.

If there is no space available at the time—it is a remote expectation because approximately only one in 10 requires space—we have a supplementary list of private spaces outside of community homes and, if necessary, we are prepared to use rental accommodation for that purpose. No one will be turned away.

Ms. Gigantes: In the Ottawa area, Interval House can now cope with only about 100 women in need each year. The city of Ottawa's emergency shelters find now that 80 per cent of the people they serve are battered women, and the Ottawa area call number for battered women is answered in the city of Cornwall. How will emergency assistance be provided under circumstances such as these?

Hon. Mr. Scott: If a woman calls in and seeks a shelter location, she will be asked if she has attempted to contact a shelter. If she has done so and has failed to obtain accommodation, she will, after reference to the Ministry of Community and Social Services, be referred to a place in her community where there is a formal shelter space available, a private space or rental accommodation.

Mrs. Marland: If I may follow up on that question about the list to which the Attorney General has referred, would his ministry be willing, first of all, to share that list with every region?

Second, he refers to private space. I hope he is not listing motels under private space for these abused women and children. As well, when he talks about rental accommodation, can he explain what he means by rental accommodation in the light of the serious affordable housing problem?

Hon. Mr. Scott: If a woman phones the line and seeks a space, for example, in the Ottawa area or in Metropolitan Toronto, she will be in a community where there are a number of houses that have spaces. We do not expect her, and she is usually not able, to go from house to house either personally or by telephone. The Ministry of Community and Social Services will make the inquiry for her to determine whether there is a space available for her in that community.

If there is not, because on that night or in that week all spaces are taken, then we will make other spaces available. We have a list of spaces we think can be made available for those purposes. If necessary, we will go to hotel accommodation, but I do not think that step will be necessary.

The studies last time showed that only one in 10 seeking assistance actually required referral to a space. As a result of this program, under the previous government and now, we have found that the awareness the program has created has encouraged family and other supporters who would previously have shunned the applicant to have the courage to take in that applicant. The program is working. Like the previous government, I am very proud of it.

TAX REVENUES

Mr. McCague: The Treasurer is adjusting his stilts over there. I have a question for him.

Is it true that as a result of changes in federal income tax there will be \$115 million more in revenues than is stated in his budget?

Hon. Mr. Nixon: It is interesting that the honourable member would ask the question. I have just received a paper dated November 7 that reads as follows:

"Through conversations with the federal officials we have learned that our personal-income-tax cash flow for this fiscal year will be between \$70 million and \$220 million higher than we were currently reporting. As a result of the higher personal income tax, established programs financing cash entitlements will be reduced by approximately \$20 million to \$70 million respectively."

In other words, these matters are being recalculated at both levels, and it appears to me

that some additional revenue will be accruing to Ontario.

Mr. McCague: We are all hoping that the optimism of the Treasurer comes true.

Hon. Mr. Kerrio: Give him 10 years. The member will see what he does.

Mr. McCague: He just gestured like that as the member said that.

Hon. Mr. Nixon: Who did?

Mr. McCague: The Treasurer did.

Hon. Mr. Nixon: No, I did not.

Mr. McCague: I saw you.

In view of the fact that the Treasurer is going to have more money than he expected, will he now withdraw at least the price increase component of Bill 51, the gasoline tax bill, and save us all the time it will take to argue this bill in this House and then have him withdraw it?

Hon. Mr. Nixon: I am not prepared to do as the honourable member suggests.

3:40 p.m.

EMPLOYEE HEALTH AND SAFETY

Mr. Martel: I have a question for the Minister of Labour regarding Falconbridge and the processing of uranium under the guise of nickel. Since the uranium and nickel contain uranium 35 to 40 times higher than that used at Elliot Lake, since no precautions were taken by Falconbridge to process that uranium, and since there was no effort to warn the workers they were working with uranium, can the minister tell me why the ministry is hiding behind federal jurisdiction in order not to move in and prosecute Falconbridge for violating all those parts of the Occupational Health and Safety Act?

Hon. Mr. Wrye: I am informed that the Ministry of Labour is involved in some discussions right now with the Atomic Energy Control Board regarding uranium. Although we are involved in those discussions, they are matters under federal jurisdiction in particular. If the allegations made by the honourable member are correct, perhaps we should be looking at it from another direction. I will simply indicate to the member that I will check into the problem and get back to him.

Mr. Martel: I have had from the ministry, signed by the minister, a six-page report that says, "On this basis, the ministry lacks the authority to issue orders under the Occupational Health and Safety Act." Since the AECB is responsible for mining, and this is not a mining process, and since it is scrap metal from out of the

country being reprocessed at Falconbridge, can the minister tell me who is going to protect the workers?

When will the minister be prepared to take on the federal government and tell them that they have acted in contravention of our Occupational Health and Safety Act and that we are going to protect the workers by prosecuting promptly?

Hon. Mr. Wrye: I am sure my friend the member for Sudbury East is alluding to one of the many letters I have sent him. The member seemed to begin to back off—perhaps I heard him wrongly—in the supplementary question with some suggestion that it might be a matter where, if the federal government is not doing the protecting, we should be. I agree with him that workers at Falconbridge should not be unprotected because of some kind of jurisdictional dispute. That being the case, we will sort the matter out rapidly, and I give him my assurance that I will give it my personal attention to ensure someone is protecting those workers.

PETITIONS

ROMAN CATHOLIC SECONDARY SCHOOLS

Mr. Bossy: I would like to present the following petition on behalf of the members of Council 1412, Knights of Columbus, of the city of Chatham and my constituents in the constituency of Chatham-Kent:

"To the Honourable, the Lieutenant Governor and the Legislative Assembly of Ontario:

"We, the undersigned, beg leave to petition the parliament of Ontario to implement the policy on the funding of the completion of our separate school system without delay."

"We further petition that this legislation protect the historic rights of Roman Catholics to maintain the special character of their separate schools."

This petition has been signed by 234 constituents.

Mr. G. I. Miller: I have a petition.

"To the Honourable the Lieutenant Governor and the Legislative Assembly of Ontario:

"We petition the Ontario Legislature to implement the policy on the funding of the completion of our separate school system without delay in order that it can be applied on September 1, 1985."

It is signed by Grand Knight Brian Levis of St. Joseph's Council 7645, Clinton, Ontario, dated October 10, 1985.

Mr. Hayes: I have a petition to present on behalf of Council 8783, Pointe-aux-Roches, Ontario.

"To the Honourable the Lieutenant Governor and the Legislative Assembly of Ontario:

"We, the undersigned, beg leave to petition the parliament of Ontario as follows:

"Whereas it is the sincere expectation of more than 500,000 students and staff of the separate school system of Ontario and nearly four million separate school supporters in the province of Ontario; and

"Whereas it was clearly the intent of our forefathers to treat both sectors of our common school system equally; and

"Whereas this intent is evident in successive acts of the Legislature since 1841"—I do not think it is necessary to read the whole petition.

"We petition the Ontario Legislature to implement the policy on the funding of the completion of our separate school system without delay."

"We further petition that this legislation protect the historic rights of Roman Catholics to maintain the special character of their separate schools."

Mr. Epp: I wish to table a petition from Maryhill, Ontario, from Council 6024, Knights of Columbus, which has a good number of names on it, and a more voluminous brief from Our Lady of Lourdes School in the great city of Waterloo, which has more than 100 names on it with regard to the same topic, separate school funding.

REPORTS

SELECT COMMITTEE ON ECONOMIC AFFAIRS

Mr. D. R. Cooke from the select committee on economic affairs presented the committee's interim report and moved the adoption of its recommendations.

Mr. D. R. Cooke: I wish to say that this report is the interim report required by this House when the terms of reference were set out in July.

I might say at the outset that the work of the committee over the course of time, in July, August, September and October, has been a highlight in my brief, six-month political career. I believe the work of this committee is the most thorough public work on this issue being done at the present time in Canada. The co-operation of members of all three parties has been very good and very intense. I expect it will continue to be the same.

I ask that one message be received, if only one can be at this time. On such a complex issue,

please do not make the mistake of suggesting that the select committee on economic affairs is either for or against free trade, because it is not that simple.

On motion by Mr. D. R. Cooke, the debate was adjourned.

STANDING COMMITTEE ON GENERAL GOVERNMENT

Mr. McCague from the standing committee on general government reported the following resolution:

Resolved, that supply in the following amount and to defray the expenses of the Office of the Assembly be granted to Her Majesty for the fiscal year ending March 31, 1986:

Office of the Assembly program,
\$44,600,600.

3:50 p.m.

STANDING COMMITTEE ON REGULATIONS AND PRIVATE BILLS

Mr. Callahan from the standing committee on regulations and private bills presented the following report and moved its adoption:

Your committee begs to report the following bill with certain amendments:

Bill Pr5, An Act respecting the Pauline McGibbon Cultural Centre.

Your committee begs to report the following bill without amendment:

Bill Pr23, An Act respecting the Enoch Turner Schoolhouse Foundation.

Your committee would recommend that the fees, less the actual cost of printing, be remitted on Bill Pr5, An Act respecting the Pauline McGibbon Cultural Centre, and Bill Pr23, An Act respecting the Enoch Turner Schoolhouse Foundation.

Motion agreed to.

MOTIONS

ESTIMATES

Mr. Nixon moved that further to the order of the House dated October 26, 1985, the estimates of the Office of the Chief Election Officer, omitted from the allocation statement printed in the Orders and Notices paper, stand referred to the standing committee on general government to be considered before the estimates of the Ministry of Health.

Motion agreed to.

COMMITTEE SITTING

Mr. Nixon moved that the standing committee on procedural affairs and agencies, boards and

commissions be authorized to meet following routine proceedings on Monday, November 18, 1985.

Motion agreed to.

INTRODUCTION OF BILLS

ONTARIO DRUG BENEFIT ACT

Hon. Mr. Elston moved, seconded by Hon. Mr. Nixon, first reading of Bill 54, An Act to authorize and regulate the Payment by the Minister to Specified Persons on behalf of Specified Classes of Persons for the Dispensing of Specified Drugs.

Motion agreed to.

PRESCRIPTION DRUG COST REGULATION ACT

Hon. Mr. Elston moved, seconded by Hon. Mr. Nixon, first reading of Bill 55, An Act to provide for the Protection of the Public in respect of the Cost of Certain Prescription Drugs.

Motion agreed to.

REMEMBRANCE DAY OBSERVANCE ACT

Mr. Foulds moved, seconded by Mr. Laughren, first reading of Bill 56, An Act to provide for the Observance of Remembrance Day.

Motion agreed to.

Mr. Foulds: The purpose of this bill is to make November 11 an official holiday under the Employment Standards Act and the Education Act.

Unfortunately, November 11 has been downgraded since the Ministry of Education eliminated it as a school holiday in 1982, and I believe we should observe it as a general holiday.

ANSWERS TO QUESTIONS IN ORDERS AND NOTICES AND RESPONSES TO PETITIONS

Hon. Mr. Nixon: I wish to table the answers to questions 72, 73, 74 and 77 and responses to petitions presented to the House, sessional papers 188 and 191, standing in Orders and Notices [see Hansard for Friday, November 8.]

ORDERS OF THE DAY

PRIVATE MEMBERS' PUBLIC BUSINESS

REGIONAL MUNICIPALITY OF HAMILTON-WENTWORTH AMENDMENT ACT

Mr. Allen moved second reading of Bill 39, An Act to amend the Regional Municipality of Hamilton-Wentworth Act.

Mr. Speaker: The member has up to 20 minutes; if he wishes to reserve any of that time, he may.

Mr. Allen: The length of one's remarks is always a little bit unpredictable, but if there is some time left, I will be happy to reserve that to make further remarks at the conclusion of the debate.

The two items I want to raise before the House in the course of these amendments to the act pose some fundamental questions of democratic accountability in a system of government such as ours. The purposes of the amendments in question are (1) to provide for the election of the regional chairman by general vote rather than by the members of the regional council and (2) to give the regional council, rather than the cabinet, the right to appoint a majority of the members of the Hamilton-Wentworth police board.

The first item is a matter that has animated many people in our region from the onset of regional government in that region in 1974. It seems to them to be a singularly unusual fact of their political life that while they may elect persons to represent them by wards in school board elections and in municipal elections for a city council, while they may elect mayors of their city, and while they may elect provincial and federal representatives and have a part in the election and selection of a known leader by that process at the provincial and federal levels, when it comes to the regional municipality by which they are governed increasingly as that system of government becomes consolidated, they have no direct say in the election of the regional chairman.

On the second item, it has been a matter of some concern of municipalities across this province, and certainly of my own, that they have not had the right to elect a majority of the members of the board of police commissioners, which governs their local forces of law and order, even though in most instances, and certainly in our case, the budget of that board is either one of the largest or next to the largest in size.

Having said that, I want to review briefly the history of this issue in our regional politics. It is only when one sees how persistent has been the request for these amendments—for the first one in particular, with regard to the general election of the chairman of the regional government in the Hamilton-Wentworth area—that one appreciates how deeply felt is the concern of our region that the position should be a generally elected one.

From the first day of regional government in that region, a large majority of the aldermen who

make up the Hamilton council have consistently expressed their concerns that there should be such a general election of that position. That call has come from aldermen of all parties.

4 p.m.

Second, with regard to status, there may be more at stake for the mayor of Hamilton than for any other single elected official in the sense that when a Hamilton-Wentworth regional chairman becomes a generally elected post, that is obviously a very much more enhanced political position. The result is going to be that there will be, in some measure, an eclipsing of local mayors in the region. None the less, the mayor of that city and the mayors of other towns and municipalities in the area have gone on record as supporting this proposal. To them, it simply makes sense that a level of government which has become, as time has passed, so much more important in the lives of all the citizens of that area should, as in this case, be an elected position.

Third, while for some time the regional council itself did not take a formal position on this matter, none the less, after repeated debates they voted overwhelmingly on April 6, 1983, to support the general election of the regional chairman. The person who ought to know most about that position and what is required for its legitimacy and potency as an effective position in our government, the regional chairman herself, Mrs. Anne Jones, had by that time become firmly convinced that the legitimacy of the position did finally have to rest upon a general election of the regional chairmanship.

In particular, she felt that after the three-year term of office in municipal government was put in place, it became not only an ideal but also a very practical and practicable proposition. In the fall of 1982, she was convinced, based on her own experience, as she put it, "Election at large would give this office more political influence and credibility." She went on to add, "The public is not happy with a chairman elected simply by council."

The Hamilton Spectator, the paper which serves the entire region, has for some years been a supporter of this proposal. In turn, it has reflected the widespread disappointment of the region when, after the council decision of April 6 to move unanimously in this direction, the member for Ottawa South (Mr. Bennett) made his views known on this subject in general when he reacted to proposals in the Metropolitan Toronto region that perhaps there might be an elected chairman of Metro council. At that point, the member made it clear he had little sympathy

for this suggestion, not only in Toronto but also anywhere else the idea might be proposed. He poured cold water on it.

The Hamilton Spectator blamed what it called the cozy arrangement by which regional chairmen were put in place at that point in Ontario, and went on to suggest that Paul Godfrey, in a rather self-serving statement when asked why there should not be regionally elected chairmen, really pointed out the reason there should be. Mr. Godfrey said a publicly elected regional chairman would become far more political and lose his independence. He went on to say, "An elected regional chairman would be forced to make popular decisions."

It certainly is a new twist in democracy, as I hear it, when it is suggested that the election of an official is apt to produce popular decisions. I would have thought that was precisely the point of having elected officials. They might be more likely to make decisions that would consort with the popular mind at large when it had reflected on the issue in question.

However, Toronto is not the issue here and Mr. Godfrey's reasons are not at issue here. My point in presenting these amendments is simply to suggest we do not need to have the same arrangement in each of our municipalities for the selection of the regional chairman. One reason the former Minister of Municipal Affairs and Housing alleged it was impossible to move ahead on it is that if one did it in one place, one had to do it in another. Quite obviously, the circumstances of Hamilton-Wentworth are very different from those of Metropolitan Toronto, Ottawa-Carleton region or what have you. Each should be judged in turn and each should have a right to decide the mode by which it wishes to see itself governed in that position.

Continuing the campaign in Hamilton in the late summer and early fall of 1983, the New Democratic Party caucus at city hall decided it would undertake a local petition to test public opinion and see where it led us on that subject. In the course of late August and early September, petitions were gathered in shopping malls, on street corners, at the Labour Day parade and elsewhere.

While this was not a massive undertaking to poll the whole of the region, it did have significant results. In the first place, 8,000 names were gathered, and in the second place, at least 90 per cent of those who were asked responded affirmatively. It was obvious that the opinion regionally was very positive on this issue. After this petition, it was no longer a matter of saying it

was the view of a few regional councillors or the view of certain aldermen. It obviously had widespread public support.

That petition was presented to this House by the member for Hamilton Mountain (Mr. Charlton) and me later that fall. That same fall, on November 9, Bill 116 was introduced by Eric Cunningham, the former member for Wentworth North, who argued strongly for the general election of the regional chairman.

Early that winter, the member for Hamilton Mountain took advantage of the fact that the Regional Municipality of Hamilton-Wentworth Act was before the House for certain amendments to propose this additional amendment once more. Once again it failed to pass, by virtue of the obduracy of the then Minister of Municipal Affairs and Housing.

Finally, in the fall of 1984 the region sought to place before this Legislature a private bill that would accomplish that objective and the second objective I have in my bill. On a technicality, it went to the standing committee on procedural affairs for a judgement about whether it was proper for a private bill to be entered in the House with respect to a matter that was embodied in a public bill. It was by a lot of argumentation about how many angels could dance on the head of a pin that the bill—

Hon. Mr. Bradley: It is 10.

Mr. Allen: Ten. Is that right? I am glad to have it on the minister's authority.

This issue was finally put to one side at that time, but the arguments were pretty questionable and rather spurious. They really amounted to asking whether, because this bill was a private bill and would not be gazetted in the same way as a public bill would be, the public might be confused about the result of the House's decision on the matter. So, on such picayune considerations the matter was put to one side.

When that happened, I in turn introduced a private member's bill to get the matter before the House. That is the way this bill has finally come to us today.

The Hamilton council, in the wake of that failure, again moved unanimously to put this proposal yet a further stage forward by entering it on the municipal ballot for November 1985. Stoney Creek, Ancaster and Dundas followed suit. Glanbrook and Flamborough, the other two municipalities that make up the regional municipality and which support the proposal, did not bother to take that step, but that was not to be read as meaning they did not themselves support the proposal.

Finally, with the election of a new government after May, the regional council moved once more within a week of the election to state, "We will try again with the new government to secure the election by the general public of the regional chairman." It declared that the public has a right to a direct say about who will head this level of government. The system of council's choice by individuals elected on a very restricted franchise is a direct infringement of public rights.

4:10 p.m.

My colleagues the members for Hamilton Mountain and Hamilton East (Mr. Mackenzie) and, I hope, other members of this House will perhaps reflect on the important principles that underlie this step. However, certain objections have been made to the proposal by the Minister of Municipal Affairs (Mr. Grandmaitre), none of which stands up in my mind. I have already referred to the first with regard to the gazetting and the publicity attending the passage of a private bill. The second had to do with whether all regional municipalities have to be treated the same. I have already made my observations on that. The third was that there was no tidal wave of opinion launching us forward towards this great goal. He made that observation with respect to Toronto in particular. I think my observations make it quite plain that there certainly is a small tidal wave in the Hamilton-Wentworth region on this matter.

Then he went on to suggest that it was too costly. Others have suggested it is not covered by the Commission on Election Contributions and Expenses since municipal expenses are not covered and, therefore, a selected clientele would be able to reach this position. One would have to say that the costs for most of the mayors of the region—the mayor of Hamilton, for example—in seeking election are not prohibitive and the current chairman's own reflections on this are that it is not a prohibitive matter.

As far as the election expenses commission is concerned, if we find it is a costly affair, then so be it. We can amend the appropriate legislation to provide electoral expense support if that is necessary in following the logical principles of democratic government to their proper conclusions.

With respect to the second part of the bill, I want to be rather less lengthy in my remarks. The reversal of the proportions of responsibility in the Hamilton-Wentworth Regional Board of Commissioners of Police to provide for three rather than two elected by the regional council is a matter that has been before the municipalities and

the municipalities have put it before the government for a long time. I want to say briefly why I think this is a very important matter. It raises the same questions of local accountability that the election of the regional chairman does and that is why it is coupled with it in this bill.

What we are proposing is to repeal the provisions under clauses 91(1)(a) and 91(1)(b) of the Regional Municipality of Hamilton-Wentworth Act where the province appoints three of the five members of the board and to replace them with clauses by which the region will appoint three of the five.

I want to say at the outset that this is not offered as any criticism of the existing board in either the mode or character of its activity or of any of the members of that board, whether they be appointed regionally or provincially. The reason ought to be obvious. When that board is the vehicle of expending in the Hamilton-Wentworth region more money than any other department or regional government other than social services, it is quite obvious where the balance of responsibility ought to lie.

I point out that this proposal has been supported in this House by members of the Liberal and the New Democratic parties, at least, when it has come up for debate.

When in 1983, Bill 86 was before the House to amend the membership of the police boards so that judges no longer were required to sit on them, it was suggested by the then member for Simcoe Centre, G. W. Taylor, who was proposing that amendment, that the purpose was to make appointments to those boards in a more flexible way, that it was in line with today's thinking to keep judges away from duty in matters respecting the police and that the matter did not require a lot of argumentation or elaboration.

Likewise, I think my point does not require a lot of elaboration. When the then member for Riverdale, Mr. Renwick, from this party, tried to propose in that debate that perhaps we should alter the proportions so that there would be three members selected regionally rather than two, the minister was not prepared to accept that at the time. I note in glancing through the debate that the member for Waterloo North (Mr. Epp), who was in this House a moment ago, strongly supported this proposal.

By way of concluding my remarks, I will read from the contribution of the member for St. Catharines (Mr. Bradley) to that debate since I think he put his finger on a very practical side of this issue when he said, "I guess even those who

felt it was somehow dangerous to have the democratically elected people in the majority on police commissions in our part of the province started to think twice when, I think it was two years ago, we had a bill presented to the regional council to the tune of a 22 per cent increase" in budget from the police board.

Hon. Mr. Bradley: Did I say that?

Mr. Allen: Yes. He went on to suggest that the regional municipality of Niagara was looking at various areas at that time where it could keep expenditures under control. He said it was "mighty difficult to ask the head of the engineering department, the planning department or one of the other departments to hold his or her expenditures within, let us say, five, six or seven per cent when the police commission presents a bill for an increase of 21 or 22 per cent in the allotment of funds."

I am not suggesting that has been the habit of the board of police commissioners in the Hamilton-Wentworth region, but the fact that can happen without the body being responsible to the regional council which has to approve and finance that undertaking makes the point very obviously. With that, I rest my case with regard to both the aspects of the bill I presented.

Mr. Ward: I am pleased to join the debate on Bill 39 which has been sponsored by the member for Hamilton West (Mr. Allen). It is not the first but about the seventh time I have participated in this debate. For the past seven years I have been a member of the Hamilton-Wentworth regional council, and this issue has been before the regional council as well as the councils of the local area municipalities during the course of the past several years since regional government was introduced in Hamilton-Wentworth.

To set the member's mind at rest, I do intend to speak in support of this bill. It is certainly a long overdue change. The reasons that have been given about the democratic process and the philosophical arguments for such a move have been quite well enunciated by the member. Perhaps they should not be dwelt upon any further. I would like to speak about some of the arguments posed both for and against legislation such as this. I speak from personal experience with regard to many of these.

The debates which have gone on in the area and regional councils have identified problems such as the large geographic area in which a regional chairman would have to run for election and the cost of the campaigns. It has been suggested it would be rather difficult to find candidates, and that it would be an expensive

proposition. It has been suggested also that an area municipality that makes up 70 per cent of the population and 70 per cent of the voters of the region would have an undue advantage in such a situation. I do not believe any of these arguments has merit.

On the geographic size of the region of Hamilton-Wentworth, there are communities throughout this province, in the north in particular, which encompass much larger geographic areas than the 250 square miles of Hamilton-Wentworth.

On the cost of campaigning, I do not believe for a minute it would be any more expensive to run for the regional chairman of Hamilton-Wentworth than it would be to run for mayor in Hamilton. The media serve all of those area municipalities. There is one daily newspaper, one television station and three radio stations. During the course of municipal election campaigns, anybody campaigning in any one of those area municipalities has to make use of those media. One ends up reaching a lot larger market than it is often necessary to reach. I do not believe the arguments about the cost of campaigning have any merit whatsoever.

4:20 p.m.

On the domination by one area municipality, it is worth noting that the council of the regional municipality of Hamilton-Wentworth is made up of 27 members, consisting of 17 members of Hamilton city council and two each from the five other area municipalities. At any given time, as members can see, the city of Hamilton outnumbers the outlying municipalities in voting strength on a basis of 17 to 10. I personally believe that anybody who was seeking office by way of a general vote would hardly write off 30 per cent of the electorate in his campaign.

With regard to the suggestion that nobody would be interested in seeking such a position, I find it rather odd that I have been approached by the former mayor of Dundas and urged that this legislation be passed before this municipal election because he was interested in seeking office. I have been approached by the mayor of Stoney Creek, who is interested in seeking office, and I certainly do not believe there would be any lack of candidates for such a powerful position.

The arguments in favour of this particular bill are really philosophic and relate very clearly to the democratic process. This whole business of its being a precedent that would force us to see the election of regional chairmen in all other regions in Ontario has very little merit. Each

regional municipality act in Ontario is different from the others. Regional municipality acts supersede all the provisions of the Municipal Act unless otherwise stated.

If one examines closely all the regional municipality acts, one will find that each region approaches its problems differently. For instance, I believe the region of Peel and the region of Hamilton-Wentworth sought amendments so that their boards of health would become committees of regional council. They sought this change by way of resolution to the Minister of Municipal Affairs and Housing of the day. He saw fit to consent to those changes, and those municipalities now have their boards of health under the control of committees of council.

Throughout the Municipal Act and throughout the municipal government structure in this province, there is a tremendous amount of latitude in how a municipality determines the form and structure of municipal government. In many instances public utility commissions are appointed by council; in other municipalities they are appointed by a general vote. Some municipalities elect their aldermen at large; others elect their aldermen by the ward system.

Municipalities have the opportunity to determine the size of their municipal council. In my own case, when the region was formed in 1974, my municipality, Flamborough, had an 11-member council. Two years ago we sought a change, which was consented to by the Ontario Municipal Board, a reduction in the size of council. At that time there was no objection. Obviously, we were given the latitude. I think it was conceded that we had the ability and the right to determine what was best for ourselves.

Last January the township of Flamborough became the town of Flamborough, again with the consent of the Ontario Municipal Board.

All these may seem to be small issues, but the one thing to which they do consistently point is that municipalities are in the best position to determine what is best for them by way of the local government structure.

Within the region of Hamilton-Wentworth, the responsibilities of the region extend into all aspects of life in the municipalities. The region has responsibility for the overall planning and land use patterns within the region. It has responsibility for the arterial roads and the important transportation systems. It has exclusive responsibility for social services and for local health care services.

The job is just too important to let the position of regional chairman be solely in the hands of the

regional council to elect indirectly. I believe the citizens of Hamilton-Wentworth have the intelligence and the maturity to determine who can best fill this powerful and influential position.

In all the debates in which I have taken part in this issue, I have yet to hear one good reason the regional chairman in Hamilton-Wentworth cannot be elected at large by the citizens. It might not be what is best for Metro Toronto or Peel or Haldimand-Norfolk, but it is what is best for the region of Hamilton-Wentworth.

The citizens of our region feel very strongly about this. They overwhelmingly support this initiative. The plebiscite really has no statutory authority; it is nothing more than a sampling of opinion. However, I have no doubt that when the votes are tallied on November 12 in the area municipalities of Stoney Creek, Dundas, Hamilton and Ancaster, the results will be in the neighbourhood of three or four to one in favour of such a move.

I would like to draw a couple of minor concerns to the attention of the member for Hamilton West (Mr. Allen). They will certainly not cause me to withhold my support for the bill.

First, there is a reference to the makeup of the council. I would like to remind the member that the area municipality of Flamborough has been a town since January 1, 1985, and not a township. It is not a big thing, but it is to me as former mayor.

Second, in repealing subsections 11(1), (2) and (3), provision is made only for the replacement of the regional chairman by way of a general election within the region should a vacancy occur. If we revert to the conditions in the Municipal Act, if a vacancy occurs prior to March 31 in an election year, there is an election automatically. If it occurs after that, then the council has an opportunity to make some determination.

Mrs. Marland: It is a privilege for me to speak on Bill 39. I speak with some experience as a former councillor in the region of Peel for some seven years.

I take note at the outset of the comments from the member for Wentworth North (Mr. Ward). He has acknowledged that there is a plebiscite taking place in the municipal election, as I understand, in four out of six of the communities in Hamilton-Wentworth. I would suggest to both of the previous speakers on this bill today that possibly their comments might be somewhat pre-emptive to the results of those plebiscites on Tuesday. It is disappointing to hear a member say they will be nothing more than a sampling of

opinion and suggest they will have no value. I would like to think the purpose of having them is for public input and therefore they would be of value.

No matter what the outcome of the second reading of this bill may be, I would recommend that prior to third reading the bill should be forwarded to the six area municipalities involved in the region of Hamilton-Wentworth and to the other 11 regional governments in the province. I do not see anywhere where it is said that this will not be an example for the other regional governments to follow. I do not see where it is exclusive to being an example that will then be automatically enforced throughout the province.

4:30 p.m.

First and foremost, the referral of that bill to the municipalities involved is terribly important. It is my understanding they have not been formally involved at this point or that there has been public input until the result at least of the ballot on Tuesday.

In essence, the bill is of the democratic principle and it sounds good in theory. It should be pointed out that there were comments today attributable to the present regional chairman of Hamilton-Wentworth. There are 12 regional councils in this province, but the chairman of Hamilton-Wentworth is the only chairman who supports the election of regional chairmen at large. I would suggest, with respect, that is somewhat significant.

The practical implications of this bill are unrealistic and unworkable, especially in Hamilton-Wentworth. This region consists of six municipalities representing approximately 600,000 people. The election of a regional chairman at large would not be democratic or representative of the whole region's needs, as the probability would be that the decision would be weighted in favour of the candidate from the largest municipality.

An elected regional chairman would have difficulty not responding to the concerns of those who have contributed the greatest number of votes to his election. He would be politically tied to one specific part of the region. That could be very interesting.

That is particularly so in the region of Peel, which is made up of the municipality of Mississauga and the municipalities of Brampton and Caledon. Mississauga is a community of 360,000 people. Brampton has 160,000 and Caledon 20,000. In Peel region right now, we are dealing with the siting of a sanitary landfill site.

Would it not be interesting for a regional chairman to have some input into that siting?

Naturally, he would site it where he would get the least amount of noise, flak and reaction. If the majority of people who are supporting him by a vote at large live in Mississauga, naturally he would respond to their needs, just from being human, compared to those of the 20,000 people in Caledon.

Another example would be in Halton. The probability of a chairman being elected from Oakville or Burlington is great. What happens to the interests of the municipalities to the north? As in Peel, which I have just described, another example might be in Durham, where the majority of the electorate would be from Oshawa. Therefore, I am sure the chairman would be elected from that municipality.

The role of a chairman is also one of impartiality. It is his responsibility to bridge the concerns of all parts of the region without regard for political affiliation. As the chief executive officer, it is more a position and function of an administrator.

While we are dealing with the election-at-large aspect, it is important to recognize how that is achieved. It is certainly interesting that the electoral boundaries commissions of both the federal and provincial governments have been reviewing the size of ridings with a view to more equitable distribution of population. Both commissions are coming down to a workable riding as being somewhere between 85,000 and 95,000 at most. Here we are talking about having an area in excess of 600,000 people.

Mr. Ward: It is 450,000.

Mrs. Marland: I did not interrupt the member when he was speaking, so I would appreciate the same courtesy. In Peel it would be 600,000 people and certainly it would be impractical in the largest.

If we are talking about accountability, at present the council elects the chairman, and the council is accountable to the electorate. Each region of the municipality is represented proportionately on council. Council knows the qualities and capabilities of that chairman and also knows what he needs to bring to that office.

It is not the same as with the large municipal elections where candidates, regardless of numbers, are elected by residents of one community of interest, as with the election of a mayor.

The costs involved are a factor. When the present system is working well, I see no reason to change it. On that point I would quote the present

regional chairman of Peel, Frank Bean, who says, "If it isn't broken, don't fix it."

I feel very strongly that it is the regional councillors who are elected by the public and are accountable to the public. Those regional councillors know the function and responsibilities of regional chairmen. Regional chairmen would be better kept accountable if they could be fired by their own council, which works with them and can readily evaluate and appraise their function.

Cynics might suggest the province would never support election at large because the chairmen would be too powerful and would have a very large power base with respect to their dealings with Queen's Park.

I would finish my comments, since I am now running out of time, by saying the portion of this bill which I support wholeheartedly is section 5 dealing with the appointments to police commissions. I support clauses 5(1)(a) and 5(1)(b). I would like to ensure, before this bill goes to the third and final reading, that it is referred to the area municipalities that would be affected. That would be fair and just.

Mr. Charlton: With great pleasure, I rise in support of Bill 39. I do that for a whole range of reasons. The primary reason I rise in support of this bill is that it is the wish of the people of the Hamilton-Wentworth region.

It never fails to amaze me how those in the Conservative Party believe they have the monopoly on all wisdom as to what will and will not work. I would like to make a few comments on the remarks the member for Mississauga South (Mrs. Marland) made on this bill.

First, those of us from Hamilton-Wentworth have been very sensitive in our approach to this legislation with regard to the other regions in this province and the differences between the regions in this province. We have consulted with councillors from all the regions in this province, and we have made it clear throughout the past six or seven years during which this debate has been going on that it is our view that each of the regions, as a mature level of local government in this province, should be making its own decisions and requests as to how its regional chairman should be elected or appointed.

Hamilton-Wentworth is not trying to impose an election at large on any of the other regions in this province, because they happen to be very different and diverse in their makeup. I would be somewhat frightened by a suggestion that the Metro chairman in Toronto should be elected at large, as would most of the members of Metro

ridings. I understand that, and we in Hamilton-Wentworth understand that.

4:40 p.m.

We are asking for legislation here for the regional municipality of Hamilton-Wentworth and for none other. One of the reasons it appears the governing party is now listening to what is happening, listening to this debate, is that time and time again we have made that clear in debates in this House, in discussions with the other regions and in discussions with the appropriate ministers.

The member for Mississauga South also made reference to the plebiscite and the comments the member for Wentworth North had made about the plebiscite. The member for Wentworth North and I, and others from Hamilton-Wentworth, have been discussing this issue, as he suggested, ad nauseam for six or seven years through six or seven rounds of debate.

We do not view plebiscites as a useless exercise. That is why it is happening. The member for Wentworth North was referring in his comments to the fact that in Ontario, plebiscites unfortunately have no legal status with regard to forcing anything to happen. We have absolutely no objection to the comment that third reading of this bill should not occur until after next Tuesday, when the results of that plebiscite are final. We have no objection to that because we know full well what the result of that plebiscite will be. As the member for Wentworth North suggests, it will be in the range of three to one in support of electing the regional chairman at large.

The whole point we want to make in this House today is that the city council of Hamilton, the regional council of Hamilton-Wentworth and the electors of Hamilton-Wentworth, not former regional councillors from Peel, in our view are the best judges of what is best for them with regard to the structure of their local government. Their role is to decide what is best for Peel, not for Hamilton-Wentworth.

We are asking this House to support the demands and requests of the electors and the councils in the Hamilton-Wentworth region to determine their own political future and the structures under which that political future will evolve.

We have dealt as sensitively as we can in Hamilton-Wentworth with the question of how democratic the process will be with an election at large because of the questions the member for Wentworth North raised that revolve around the

ability of individuals to run for the office and the cost involved.

We have a regional municipality of about 400,000 people, not 600,000 people. As the member for Wentworth North suggests, there will be little difference with respect to cost and accessibility between running for mayor in Hamilton and running for regional chairman. Obviously, there will be some additional leg-work involved, but it is not an insurmountable task.

We have been through this debate as carefully and sensitively as we can. It has been an evolutionary debate. When I first moved motions in this House some seven years ago regarding the election of the regional chairman, I myself at that point was not yet prepared to accept election at large. All of us have gone through that debate carefully and sensitively, in consultation with our constituents, the voters of Hamilton-Wentworth, and the result is the bill that is before us today. It is a bill and a request that evolved in Hamilton-Wentworth, not in the back rooms of the member for Hamilton West.

We had similar legislation in the form of a private member's bill before this House two years ago, tabled by Eric Cunningham, the predecessor of the present member for Wentworth North. The bill was very similar, asking for election at large. It is not something that has happened in isolation and without thought; it is a process that has evolved.

We are proud of the interest the people in our region have shown in this issue. I repeat that we have absolutely no objection to third reading being held over until after next Tuesday, when the plebiscite results will show clearly that the people in our region support what we are requesting.

Mrs. Marland: What about the area municipal councils?

Mr. Charlton: As the member for Wentworth North suggested in his comments, the councils have dealt with this, and the regional council has dealt with this, and to the best of our knowledge, all have supported it. I cannot speak for the councils that will be elected next Tuesday, but the plebiscite will speak for the people next Tuesday.

Before I run out of time, I want to deal with the other item in the bill, the matter of the police commission in Hamilton-Wentworth. As my colleague the member for Hamilton West said in his opening remarks, this is a request to change the balance on the police commission from three members appointed by the Lieutenant Governor

in Council to two, and from two members appointed by the regional council to three. It has to do with essentially the same issue of public accountability in Hamilton-Wentworth.

Over the course of the past number of years, we have seen significant growth in the importance and dependence of communities on their police forces and, therefore, on the commissions that oversee those police forces. We have seen changes in our society around things such as the way people drive on roads and the condition they are in when they are driving and the way in which stores display certain kinds of material and the kinds of material that are available for display. As regional and local municipalities increasingly get into local questions, we need police commissions that are as sensitive as we can possibly make them.

The Deputy Speaker: The member's time has run out.

Mr. Callahan: It gives me great delight to be able to rise and speak on this matter, particularly in the presence of my own regional chairman. I do not want to mix apples and oranges, if the regional chairman will forgive me, since I understand this is dealing with a specific regional municipality.

I suppose it becomes very important to consider that each of the regional municipalities is unique and distinct in its own way. In that respect, I would support the principle that the duly elected members of that particular regional municipality should have the opportunity to canvass the electorate and determine whether they wish to have their chief executive officer elected directly by the voters of the community.

Having said that, the danger with a direct election is the fact that on the one hand the job of becoming the chairman of a regional municipality of the size of pretty well any one of them would be such a monumental task in terms of trying to get out and cover an area of the electorate that it might well result in the only person who is able to seek that office being someone of extreme independent wealth or having the backing of special interest groups. That is of grave concern because if being the chief executive officer of a very large regional municipality required the financial backing of a large cross-section of people, it might well place that particular executive officer in a difficult and ticklish position.

4:50 p.m.

Let us face it: Most of us who run for provincial office probably would not run over as large an area as a regional chairman would if he were running on a direct election basis. I have

been in the United States on a particular occasion when a gubernatorial candidate was running, not for the office but for the privilege to run for the office. I believe he spent something in the neighbourhood of \$2.5 million just to get the right to run in Louisiana; then he had to run after that. I understand from talking to him that it would cost him in the neighbourhood of another \$4 million to run.

It is a very serious danger that as the size of a particular territorial location gets greater and as it becomes necessary in a direct election to go to more people, the cost is ever increasing and the concerns I have expressed previously exist.

On the other side of the coin is the serious concern—and I hasten to add that it does not exist in our regional municipality, but it could exist in future indirect elections by the council as opposed to direct elections by the people—that, contrary to what my colleague the member for Mississauga South has indicated, because the chairman is elected by his colleagues, unless he is a very strong-minded person, he more or less has to keep the goodwill of those council members during his term because they elect and re-elect him or her.

This gives me some concern in that unless the person was a very strong individual and an excellent chairman—and I might add that I can give our present chairman from Peel those accolades, because he is a strong and independent person—he could very easily be led around by the nose by the council itself. Of course, the position of regional chairman is to be what it says: regional chairman, the leader of the pack, the leader of the group. I suggest that only in those cases does the electorate receive full dollar value for what is being done.

Weighing that against the suggestion that is being made in the Hamilton area, if the people themselves elect the regional chairman, one gets the very definite benefit that as that man conducts his activities in running the regional council, travelling around the region and addressing the needs of the public, he actually achieves his re-election by reason of the most democratic process anyone has yet devised: the people's wishes.

I suppose I am speaking on both sides of this coin, but the gist of it is that in a true democracy, the issue should be settled on a region-by-region basis.

MISSING CHILDREN

Mr. McGuigan moved, seconded by Mr. Henderson, resolution 17:

That in the opinion of this House the standing committee on social development should be asked to review the current state of governmental and private efforts directed towards the problem of missing children and, in particular, study the following matters: (1) the circumstances and frequency of child abductions; (2) the adequacy of government and community services in aiding the victims and their families; (3) the various methods available to government and to the community for publicizing cases of missing children; (4) preventive educational programs; (5) the need for revised legislation and for changes in police and court procedures in order to facilitate the location and retrieval of missing children; (6) the desirability of establishing a national co-ordination centre for missing children to act as a link between the various local and provincial organizations; and (7) any other matters that the committee considers relevant.

Mr. McGuigan: Mr. Speaker, I ask your permission to have the pages distribute some material to all members who are present.

The Deputy Speaker: That is granted. The honourable member has up to 20 minutes for his presentation and may reserve any portion of it for the windup.

Mr. McGuigan: I bring this resolution before the Legislature because I am deeply concerned about the problem of missing children, a problem that is growing more serious every year. I firmly believe the members of this Legislature can play an important role by addressing the issue.

At this stage, co-ordination, information-sharing and small changes in policies are the keys to improving a response to the problem of missing children. Full-scale hearings by the social development committee would likely provide these keys and would go a long way to define the problem and assess possible solutions.

I wish to take this opportunity to thank publicly Joydeep Mukjerji, one of the 1984-85 interns. While working for me, Joydeep did a great deal of work on the issue of missing children and did so with enthusiasm and foresight. I also want to thank Patrick Fafard, one of the current legislative interns, who has continued the project. Both of these fine gentlemen are in the gallery.

My interest in the issue of missing children began several years ago when I was a member of the social development committee. Part of our work was the drafting of Bill 77, An Act respecting the Protection and Wellbeing of Children and their Families. During the course of examining the bill, the committee considered a

wide variety of issues relating to children, including child abuse, pornography, violence in the media and the exploitation of children and young people in general.

I became particularly interested in the problem of missing children, and I was immediately struck by the fact that so little is known about this phenomenon. Widespread public awareness of the problem is quite recent. Attempts to deal with it are equally recent and are often the result of the efforts of parents whose children have gone missing.

To obtain more information about the issue of missing children, I held a series of public meetings in late 1984 in Toronto, Ottawa and Hamilton. Representatives from law enforcement agencies and community groups, as well as educators and a number of parents, outlined what they were doing to address the problem of missing children. Some were primarily concerned with prevention, while others were interested in establishing a means by which missing children of all kinds could return home. I was impressed by the time and effort that people had put into their attempts to address the issue. I and others learned a great deal.

From these meetings, a picture of the general nature of the problem gradually emerged. In February 1985, I released a report entitled *Missing Children in Ontario*, providing a summary of the information gathered at these public meetings. The report was by no means comprehensive or sufficient for the task ahead; it was a starting point, outlining the general nature of the problem and the need for further action.

Before discussing the details of the resolution, I want to outline very briefly the general problems about missing children. I wish to underline the fact that much remains to be discovered and many initiatives must be assessed. An investigation by the social development committee would be a logical first step.

As of Tuesday, November 5, there were 1,803 missing children in Canada. This number can be misleading in that most of these children will undoubtedly be found. During 1983, 17,772 were reported missing to police forces in Ontario other than the Ontario Provincial Police. Happily, 17,642 or 99 per cent of these children were located by the end of the year. Regrettably, 129 cases were outstanding at the end of the year. Of these 129 cases, 56 were in the Metro Toronto area. Police records suggest that 49 were runaways, while seven were parental abductions.

This statistical breakdown is important because it underlines the fact that almost all

children who are reported missing are eventually found, usually within a matter of hours, days or weeks. Of the remainder, most are runaways. Police report that in some areas, runaways—often repeat runaways—make up as much as 95 per cent of missing children.

Initially, police react in the same way to a report of a missing child. Departments that are well developed in this area react to a report of a missing child in the way firemen react to a fire: they send a task force to the immediate area, set up a headquarters, alert all the police in the area and zero in on the report. The first few minutes are important.

5 p.m.

The methods used to find an abducted child are quite time-consuming and involve the extensive use of resources. As a result, police use a degree of discretion before committing themselves to a full search. However, there is a problem in treating repeat runaways differently from abducted children. A mistake would subject the police to enormous criticism from a public dismayed that a child thought to have run away had, in fact, been abducted.

A second category of missing children is those who have been abducted by strangers. The motives vary from one abductor to another. These abductors are often paedophiles. Some use abducted children to produce pornography, while others sell abducted children on a black market and others are simply mentally disturbed. Unfortunately, very few of the children abducted in this manner are ever recovered alive. It should be noted that a very small percentage of missing children are abducted by strangers, but this in no way minimizes the tragedy of these cases.

The third category is children abducted by one of their parents, usually after a marriage breakup. This type of abduction, often not perceived as a crime by many people, has become more noticeable in recent years as divorce rates have increased and more and more custody cases have appeared before the courts.

The main motive for child abduction by a parent is often to exact revenge against the other parent, not love of the child. As a result, it is common to find abducting parents who become neglectful or abusive of the child.

It should be clear by now that media coverage of missing children may distort the true situation. When a child is abducted by strangers, the disappearance is front-page news. The extensive media coverage may suggest that such abductions are typical of missing children when the reverse is true. Children who run away do not

attract a great deal of media attention, even though they represent more than 90 per cent of missing children. Similarly, children who are abducted by one of their parents rarely make the news even though such cases far outnumber abductions by strangers.

I would now like to outline in detail what I think the social development committee can accomplish by holding public hearings on the issue of missing children.

Generally speaking, I think the committee could examine the need for guidelines and perhaps even legislation to co-ordinate the efforts of the various groups and organizations that are involved in this issue. I am not suggesting for a moment that government should usurp or in any way diminish the valuable role voluntary groups have played thus far. Instead, I am suggesting the severity of this problem requires that the social development committee study the matter. As a matter of fact, we were very much impressed by the voluntary groups. There are fantastic people working in this field.

As suggested in the resolution, one of the tasks for the committee would be to study the circumstances and frequency of child abduction and missing children. As things currently stand, the available information is often inadequate.

The main source of information regarding missing children is the Canadian Police Information Centre database. Every report of a missing person is entered into the CPIC system. In addition to assisting the police, this information can be summarized to provide an overview of missing-person cases.

As useful as the CPIC system is, it has many drawbacks. First, the data may be unreliable. Until recently, there was no standard procedure for entering information about missing children into the computer. Second, the data are often incomplete. All too often, the circumstances of the child's disappearance are not available, making it difficult to determine whether the child is a runaway or has been abducted by a parent or by a stranger.

Third, volunteer organizations such as Child Find collect their own information and publicize the cases they have on file. They would also like to see the system expanded in a provincial or national registry on missing children. However, the existing information is once again often incomplete because Child Find is unable to release details of particular cases.

Given these problems, the social development committee can play a valuable role in examining existing reporting procedures, the limits to the

CPIC system, and the possibility of a separate computer registry of missing children in Ontario such as the one that has been established in New York state. It may be that suitable modifications to the CPIC system would be sufficient.

As public concern with missing children has become more and more widespread, parents have begun to initiate a variety of programs designed to prevent their children from going missing and/or facilitate their being found and identified if they do go astray. However, these programs have been initiated on an ad hoc volunteer basis and some thought should be given to the need for co-ordination, expansion and control. Hearings by the social development committee might generate proposals designed to improve existing programs and eliminate some of the problems.

Among the most visible programs of this kind are the campaigns to fingerprint, photograph and otherwise identify children. Service clubs and community groups have initiated such identification campaigns across the province. Parents keep the information in a safe place so that in the event their child goes missing, they can provide police with as much information as possible. The social development committee may want to examine these programs with a view to determining if they should be expanded, perhaps with government assistance.

One issue that needs to be resolved is the use of schools to carry out such identification programs. In the past, community groups such as the B'Nai B'rith Women of Canada have requested access to schools during school hours and have been refused. The committee may wish to look into this problem. Equally important, the committee might want to study the extent to which such programs generate unnecessary concern among parents and children.

A second program designed to prevent the abduction of children involves attempts to teach children and parents how to avoid potentially dangerous situations. Sometimes referred to as streetproofing or crimeproofing, such programs have been initiated by community groups, police departments and enterprising individuals who charge a fee. Similarly, the Ministry of the Solicitor General has recently issued a set of pamphlets dealing with crimeproofing children. The committee may wish to examine programs such as these and to make recommendations on how they can be improved.

School call-back programs are a third preventive measure of interest. In some schools, once attendance has been taken in the morning, volunteers contact the parents of any absent

children to ensure that these children have not gone astray on their way to school. Such programs do not currently exist in all schools and the committee may wish to study ways to expand the use of call-back programs.

For all these programs, further study by the social development committee would serve to highlight their usefulness and possibly promote their implementation on a wider scale.

The resolution also suggests that the committee study the various methods available to government and to the community for publicizing cases of missing children. Publicity is probably the most important aspect of this issue and requires the most review. One of the primary activities of agencies such as Child Find is the publication and dissemination of pictures and names of missing children. Such pictures appear in newspapers, on television, on trucks and buses, milk cartons, billboards and in bus shelters.

There are a number of unresolved questions surrounding these publicity campaigns which the social development committee can investigate. First, there is a need to determine which vehicles are most effective. For example, I have heard conflicting arguments about the use of milk cartons to display pictures of missing children. Although such pictures appear on milk cartons in many parts of the United States, I know of no such program in Canada. The committee would do well to assess the various publicity mechanisms that are available.

There is also a need to document the variety of publicity campaigns currently under way. Such information is invaluable. This is especially true for community groups and agencies which wish to publicize cases of missing children but are unsure of how to proceed. My understanding is that many private sector companies are quite willing to provide financial and technical support for missing children publicity drives. The committee might want to look at this possibility and ask representatives from the private sector to describe their initiatives.

A third question with regard to publicity is that of determining which cases should be publicized. At present, many of the cases that are publicized are presented with inadequate information as to the circumstances surrounding the case. The fact the turnover among missing children cases is so high creates a situation where a child's picture appears on a milk carton but the child has already been located by the time the milk carton is ready for distribution.

Given these questions, the social development committee may want to consider the need for guidelines with regard to publicity for missing children cases, the choice of cases, the method used and the need for a quick turnaround.

I mentioned that a missing-children registry has been established in New York state. If such a registry were to be established in Canada, it could go a long way in co-ordinating much of the existing activity with regard to missing children. The registry would maintain current, accurate data on outstanding cases. The registry might also collect information on custody and support orders. Such information is very important for, as I mentioned earlier, many children go missing as a result of parental abduction. These are often difficult to prosecute if there is no custody order or if existing orders are in conflict.

5:10 p.m.

A review by the social development committee is especially important in view of the fact the Attorney General (Mr. Scott) has introduced Bill 14, which provides for a provincial director empowered to enforce custody and support orders. A provincial registry may already be in place.

Finally, a provincial and national missing children's registry might serve as a clearinghouse for information of local, regional, and provincial initiatives and programs designed to address the problem of missing children. The committee could assess the need for such an information clearinghouse. The resolution also asks that the committee study the need for changes in legislation in police and court proceedings in order to facilitate the location and return of missing children. In my view, this involves at least two distinct issues.

First, there is the question of police procedures when a child is reported missing. I have recently learned that the Ontario Police Commission has issued a set of guidelines which suggests to police forces an effective procedure for dealing with reports of missing persons. This is a welcome development, although the social development committee may wish to review the guidelines with missing children in mind and examine to what extent they have been adopted by police forces in the province.

A second procedural issue involves the action of police in pursuing parental abductions. I have already noted that legislation has recently been introduced facilitating enforcement of support and custody orders. The committee may wish to assess the effectiveness of the legislation when it

comes to missing children and the many other problems associated with custody orders.

The remaining clause in the resolution asks that the committee study the adequacy of government and community services in aiding the victims and their families. In a sense, it is suggesting that the committee encompass all those I have previously mentioned. There is a need to review what has been and is being done to address the issue of missing children. The mandate of the social development committee makes it a natural forum for such a review.

As I mentioned earlier, there are various voluntary groups around the province and around the country which are devoted to doing something about this issue. Similarly, various branches of the provincial government, particularly the Ministry of the Solicitor General, are also seeking to address the problem. A review and assessment is in order. Many people feel very strongly about this issue and hearings before the social development committee of this Legislature would allow them to express their concerns and voice their suggestions.

In closing, I want to underline our collective debt to those many individuals who are attempting to address the issue of missing children. It is important that they be allowed the opportunity to express their feelings about the issue and outline their ongoing activities. We have much more to learn.

Ms. Fish: I rise to support this motion. I would like to take this opportunity to commend the member for Kent-Elgin (Mr. McGuigan) for his work and effort in following through on some additional investigations by the social development committee and pursuing an area that merits and deserves the kind of specific attention he has provided to it.

I particularly wish to offer congratulations for his suggestion that I feel is so important in shedding light on the problems of in-family abductions. As a society, we have come more and more to realize that simply because behaviour that we would not tolerate between strangers occurs inside a family, that does not make it correct.

We have, over these last few years in particular, focused special attention on child abuse matters, wife battering and family violence in general. We have spoken out sharply and strongly and indicated that such action is not only unacceptable but the full force of the law must come behind the prosecution in dealing with those who perpetrate such crimes, and crimes they are.

When we speak of abduction of children, particularly in-family abductions, we are talking about a very special form of crime. It is a very short step from child abuse to child abduction and vice versa. There is nothing more onerous than to see a circumstance where a family that might, in an ideal world, have been happy, suffer a breakdown.

The vengeance and revenge that two adults choose to mete out on one another, using as the vehicle the child or children of the family, is the kind of intolerable and completely unacceptable behaviour that demands a full light being shed upon it and the full force of the law to understand that this clearly is kidnapping and it clearly is among the gravest of crimes that we know of, and no cover and no cloak of family or familiar relationship should in any way divert our attention in this matter.

I also feel that the suggestion, perhaps not the one of milk cartons, but none the less the general suggestion of increased publicity on the individual children who have gone missing and are suspected of having been abducted, would be a very desirable thing. I have had personal experience in travelling through the United States, where a number of local television stations and other private businesses have taken it upon themselves to assist through public service announcements or other means the advertising, publishing and printing of pictures and descriptions of those of missing children and of what is known of the circumstances and the date on which they went missing. It is a horrifying thing to be confronted with so many of these notices, as one is when one travels through jurisdictions where some effort has been made to publicize.

I am convinced, particularly from discussions with community services people, social workers, police authorities and so forth, that we are not dealing with what would appear at the very first blush and from a superficial approach to be a massive increase in the problem. Rather, we are shedding light on a problem that has been with us but that perhaps has not been treated as publicly and of which the public has not been made aware.

The mere fact that the notification or the advertisement might appear to be the bringing of bad news is no reason for us to shy away from it. If we are not in a position to take bad news and act upon it in a fashion that one hopes will correct the fundamental problems in our society that lead to this behaviour, then the long-term future of our society is in considerable danger in that the future of our society, as we all know only too well, rests

in the hands of our children and depends on their health, their care and their wellbeing.

Let me turn briefly to two other specific recommendations that are made. One is the national registry of custody and maintenance orders. That is a particularly worthwhile suggestion, and the member will be aware that we have already moved here in Ontario to establish some considerable improvements in the enforcement of custody and maintenance orders. Similar systems are in place in some of the other provinces, but not all, and a proper national system would be welcomed, I am sure, by all in question.

On the matter of the recommendation for TVOntario, I would simply caution in one small section. The member recommends that the Ministry of Citizenship and Culture direct TVOntario and so on. I am sure the member appreciates that TVOntario operates provincially, as the Canadian Broadcasting Corp. does federally, at arm's length from the ministry and the minister. I would suggest that in carrying forward this motion, which I hope will have the unanimous support of the House, the wording on directing the ministry might perhaps be altered in the implementation to have the matter recommended to the board.

I do not wish to take up all of my time, because I know we are running late and a number of other members would not be able to address the assembly if I took the full 10 minutes. Therefore, I will close by saying that I commend the member for the motion and I am pleased to rise in support.

5:20 p.m.

Mr. Ramsay: I find it difficult to speak to this resolution because, as I am very sympathetic in principle to its intent, I am not sure that the direction of it to the committee to which it is directed is really the right way to go about this, especially when Bill 14 is before the House. It now has been referred back to the House from the standing committee on administration of justice. We are ready for third reading of that bill. It really takes positive steps in setting up provincial responsibility to enforce the support of custody orders. As the member who proposed this resolution has pointed out, that is really the prime area where child custody disputes and abductions come into being.

What worries me about referring this resolution to the standing committee on social development is that with the heavy agenda before that committee, I wonder when it would have the time to look into this important matter. It is really a

matter that needs to be looked at as soon as possible.

Before I go on, I would like to make a little subnote in answer to one of the questions the member moving the resolution mentioned about milk carton advertising. I have actually followed that with very keen interest. After the suburban Chicago issuing, a dairy in Winnipeg picked it up for a while. I do not know whether it has continued or not, but it was started in the suburbs of Chicago, Illinois, and it turned out to be very successful. It would be nice to see that continue in Canada and to see whether we could promote it in this province. I was not aware it was done in this province at all. It is a very valuable idea.

I find myself in a difficult situation because I am very sympathetic to the problem. The enforcement of maintenance and custody orders in Bill 14 provides a structure for Ontario services that we hope and expect will make abductions by parents who do not have custody less frequent and also more easily traced and prosecuted. Abductions by people other than parents will remain a matter for police action, but these new systems that will be set up under Bill 14 are going to aid in solving a lot of these problems.

Bill 14 provides for Ontario to have sophisticated computer mechanisms and administrative support to allow the tracking and reciprocal enforcement of maintenance and custody orders with other Canadian and international jurisdictions. That is one of the main problems we run into in these cases. It is not so bad, necessarily, when it is intraprovincial, but when we start getting outside the province and into other countries we run into a lot of problems. I hope Bill 14 is going to address that.

However, Bill 14 cannot become effective until Ontario creates these administrative systems. We need files and records to start to make it work and bring it into being. The government has to choose whether to wait and set up the complex computer system—how long it would take is really anybody's guess—or to proceed with a manual record system.

Estimates clearly are that a manual system could be operative by September 1986. The extra expense of going through the two stages would be an extra 30 per cent. We think the expense is worth it. It would be \$3 million extra on an initial \$9-million to \$10-million expenditure.

In considering this resolution, the real question is whether the social development committee can deal with this mandate. There are many areas of this resolution that are noble in their

attempt to solve some of the problems that are not addressed by a basically cold enforcement system. There needs to be a social net under this problem to help people, because it is more than just enforcement. These are times of stress for the family and everybody involved. There are many noble ideas here that should be pursued. I am just wondering whether we are looking at the right forum to do it.

In the meantime, the government has at its disposal the legislative authority, as Bill 14 has been reported by the justice committee, and it has the financial capability and leadership responsibility to take action on the matter of missing children. The government should consider possibly producing a policy paper. It could be either green or white, according to the government's fancy, proposing initiatives on the whole subject.

If the resolution were so worded as to charge the government with the task, it would be easier to support. I believe standing committees should not be used as a substitute for government policy development. I admire the member in his attempt to bring this to the attention of the government and I do support this motion in principle.

Mr. Henderson: I rise with real pleasure to speak to this matter, which is very dear to my heart as a parent, physician, legislator and citizen. I also want to commend and congratulate the member for Kent-Elgin, who has done such a fine job of researching and travelling about the province to learn about and prepare material for this very appropriate resolution.

A few years ago I was approached about having my young children fingerprinted in school. I did not know much about that, but I understood it had something to do with the possibility of their being lost and arrangements for their being found again. Understandably, without any hesitation, I concurred.

More recently, I have learned something about an organization called Child Find. Child Find is a nonprofit, charitable, volunteer organization founded in the United States in 1980. It arrived in Canada three years later and now has several chapters throughout Canada, including one in Ottawa where I spoke with some of its leaders this past weekend.

The goals of Child Find are to promote the safety of our children and to assist in the location of missing children. It achieves those goals through a number of programs, one of which is streetproofing. Children and adults are presented with films, literature, discussions and so on having to do with abduction and child abuse.

Another of its programs is called Kid-Check, which is an extensive identification program including photographs, fingerprinting and medical and other data. It also attempts a directory of missing children and proposes that the publication be distributed across the country to assist in locating missing children.

Just a few years ago, if I can bring in a personal note, I became separated from my two-and-a-half-year-old son in a mall. I found it an absolutely anguishing experience; yet the separation was temporary and I found my son very quickly. However, it leads me to ask who can ever begin to estimate the heartwrenching anguish that must grip a parent who loses a child.

When a parent loses a child through death, by illness or injury, the loss has boundaries. There is at least a possibility of mourning and some kind of partial coming to terms with the emotional reality of the loss. This is not so with missing children. The child simply disappears. His or her fate is unknown, and the parents are left with anguished self-recriminations, doubts and uncertainties until the child is found or for the rest of their lives.

We have an obligation in government to do what we can to lessen the frequency of that kind of tragedy and if possible to minimize the anguish those tragedies occasion.

The parent-child bond is a biological and psychological imperative. Anyone who has the most basic knowledge of wildlife or the most basic experience of a household pet having a litter, knows that higher mammals have an ingrained, pre-emptive obligation to care for, protect and nurture their young. This is especially so throughout the mammalian kingdom for mothers, but in certain higher species and amongst humans, it applies with comparable vigour to fathers as well.

We now know that infants and children are massively and to some degree irreparably damaged by separation from their parent figures. The trauma of separation can lead to the death of the infant. Separation of infants from mothers leads to gross dramatic arrest of psychological and even biological development and can lead to marasmus and death of the infant, who simply abandons the will to live.

5:30 p.m.

A famous study in Britain by Rene Spitz compared a group of illegitimate children looked after by their mothers in an ill-equipped, lower-class home with a minimum of facilities and very few resources with an otherwise comparable group of illegitimate children sepa-

rated from their biological mothers pending adoption and placed in a well-staffed, well-funded facility with the best in modern institutional care.

The infants looked after by their mothers, with few amenities and with impoverished resources, thrived on later measurements of emotional, physical and intellectual growth. The group provided with the best in modern institutional care in an institutional setting where no close bonding with any parenting figure was possible developed poorly and showed irreversible damage on all measures of personal development.

The study illustrates the psychological and biological truism that nurturance and bonding are as fundamental ingredients to human growth and development as are any physical, nutritional or other amenities that we can offer to our children. Nannies, mummies, a few poets and philosophers and, fortunately, some parents have known this for many centuries if not millennia. Fortunately, modern science is beginning to make this discovery too.

I was staying, as I mentioned earlier, in Ottawa this weekend and I was pleased to see on the back of the menu at the Delta Inn under the heading of "Child Find" the photographs of six children, identified by picture, name and date of birth, children who are missing from their homes. By measures such as that, the organizers of Child Find encourage businesses, industries and services to assist in locating missing children.

According to Child Find, many missing children have been abducted by a parent in the event of marriage breakdown. That can be especially damaging to a child if the abducting parent simply places the child in a custodial facility as a way of punishing the other parent and involves himself or herself minimally in the real parental nurturance of the child.

However, a substantial percentage of these children are not abducted by a parent, and we have no reliable information as to their whereabouts. The parents' fantasies and dread, therefore, run wild, with all the attending heartache that accrues from parental anguish. Were the children molested? Were they abducted for black marketing? Were they sexually abused and murdered? Were they stolen perhaps to be raised in loving homes? What is their fate?

I would like to commend Delta for its initiative. I believe many more businesses and organizations should be encouraged to use their opportunity for contact with the public on behalf of lost and missing children.

In my opinion, the standing committee on social development is a very appropriate forum for further discussion of this subject. In my view, the committee should assemble data on missing children and help us come to understand their fate. The committee should study the possibility of a control registry and review the activities of existing volunteer agencies, police forces and private corporation. The committee should review the existing need of publicizing instances of missing children and review the past record of government in this area of endeavour.

Ultimately, I hope the standing committee on social development can make specific recommendations that would allow for, in co-operation with the existing private organizations and volunteer agencies, a comprehensive and effective program to reduce the incidence of child loss and attenuate the anguish attendant on its occurrence.

I am, therefore, very much honoured to second this resolution and support it wholeheartedly, enthusiastically and without qualification. It has been said that the measure of any civilization is its capacity and willingness to care for its senior citizens. Surely a measure of its humanity and compassion is its level of concern about the fate of children separated from parents.

It behooves us, I believe, as legislators and as citizens to address this matter with urgency and compassion. I believe my colleague the member for Kent-Elgin has done precisely that in this resolution.

Mrs. Marland: I am pleased to have the opportunity to rise in support of this resolution by the member for Kent-Elgin on the subject of missing children. Rather than repeat statements made earlier this afternoon, I would like to commend very highly the volunteer group that has become involved in this most serious subject. The hundreds of people and thousands of hours that Child Find Canada has invested is a most commendable effort.

Through reading some information, I found that the cab company in London, U-Need-A-Cab Ltd., is also involved. That is very commendable. Dairies in Ontario up to this time apparently have not wanted to join the United States example of support by using milk cartons. I hope that will change and their support will be forthcoming.

I understand the Delta hotel in Ottawa is using the menu of its Kitchen Garden Restaurant to publish photographs of missing Canadian children and that Mother's Pizza Parlour and Spaghetti House restaurants in London, Chat-

ham, Sarnia and Windsor have agreed to post the pictures of other missing children in the lobbies of their restaurants. There is certainly no question that every effort by all these volunteer groups and the retail and commercial industries can help to resolve this terrible problem.

Apparently, in the past 10 years the Metropolitan Toronto Police have received in excess of 64,000 reports of missing children. The good news about that is that all but six have been tracked down. However, I know from the chief of police in the region of Peel that the number of domestic abductions is an ever-increasing problem. I do not think any of us for a moment could understand the hell and agony of the families who today have missing children.

5:40 p.m.

The member for Humber (Mr. Henderson) told of his experience in missing his youngster in a shopping mall for a short time. In that short time, he must have gone through tremendous thoughts about the implications that he and his family might be faced with. From my personal experience, I could not begin to understand the ongoing hell and agony of not knowing whether a missing child was dead or alive or was living under abuse or under the care of someone he did not know.

I agree with the member for Humber in his statement that not knowing is much worse than knowing. I speak from experience. Having lost a child through death, I can understand the hell and the agony of that separation. I also know that in the knowing, there is some compensation, which I experienced, but the not knowing would be an ongoing living agony. Those of us who have lost children through death know that eventually you are able to cope with reason and accept the fact that the separation is there and that one knows the outcome of it.

The commitment of the member for Kent-Elgin to this subject is to be highly commended. I look forward to an opportunity of attending the standing committee on social development when it reviews the current state of the governmental and private efforts directed towards the problem of missing children and in particular the matters he has outlined in his resolution. I also look forward to being of as much assistance in the total area of this subject as I possibly can in representing the people of Mississauga South.

Mr. Reville: The subject of missing children brings to mind several nouns that have been mentioned already. I think of tragedy, anguish, agony and even terror. I think of runaways, some of whom even now, judging by the darkness

outside, are at the corner of Jarvis and Gerrard, and the profound despair that undoubtedly develops when a young woman or a young man ends up at Jarvis and Gerrard.

I think of the work that is going on in our schools with the local crime prevention officers and community relations officers who are working with parents on streetproofing kids so abductions by strangers will be reduced and so children can learn how to recognize a situation that will be dangerous to them without making children afraid of everyone in general.

I note in a very personal way the third category of missing children, and that is those involved in an abduction by parents. I will never forget a moment at about 6:10 on a Sunday evening in June when I realized my children were not coming home. I had been awarded custody of my children the previous summer by the Supreme Court in British Columbia, and I had returned home with them to Toronto. Along about March, my ex-wife returned and began to visit with them on Sundays. There was something about the way she said goodbye that one Sunday that made me realize in hindsight that she was not coming back.

I called the police. The police, while ever polite, were not much moved by my concern. About three hours later they dropped over to my home and suggested that when my wife and I were over our spat, the children would be returned. I explained to the police that this was not a situation that had to do with a spat; this was as situation in which two children had been abducted from a parent who had lawful custody.

The next three months were some of the most hair-raising months I have ever spent. First, of course, it was impossible to convince any of the officials in the justice system to lay a charge of abduction. At that time—this was in 1973—while it was abduction legally, it was not considered to be a very difficult situation if a parent took the children. I was refused by a justice of the peace, and I was subsequently refused by the crown attorney. It was only with the intervention of the then Attorney General, who had to go all the way back down the system, that a charge was laid and the police began to take the matter seriously.

There were other interesting and bizarre turns of events during this period, in which the police issued a 50-mile warrant. Of course, we had information that indicated that my ex-wife and the children were likely in British Columbia.

In the end, after three months, the story had a happy conclusion. The children were located in Whitehorse, Yukon. Police from 51 division

flew to Whitehorse to bring back not my children but the accused person. I got a call from the airport, saying, "We are entitled to bring back your ex-wife, but your children will have to stay here."

At that point I had to get the children's aid society in Toronto to wire that they would take responsibility if the police were to bring back the children as well. I got a call half an hour later saying the police needed the airfare to bring the children back. This was a Saturday, and were it not for the goodness of heart of my local hardware store dealer, I would not have had the money to wire to Whitehorse to bring the children back.

Clearly, this is a matter of great social importance. I am a little distressed at the work load facing the standing committee on social development. I notice that only one of the people who spoke is on the social development committee. In the interim, I recommend that the member for Kent-Elgin, who has done a superb job, refer the matter to the cabinet committee on policy and priorities to see whether it might not want to move on it until the social development committee can get to it.

Mr. Speaker: The member for Kent-Elgin has two minutes remaining.

Mr. McGuigan: I wish to thank my seconder, the member for Humber, and the members who spoke: the member for St. George (Ms. Fish), the member for Mississauga South (Mrs. Marland) and the member for Riverdale (Mr. Reville). I particularly thank the member for Riverdale, who gave his own personal experience. It illustrates what we ran across when we had these hearings. The people who came to us told some heart-rending stories. I did not use any of them in my talk today because I wanted to get at the depth of the problem.

One of the things we were struck with in holding the hearings was whether we were perhaps raising fears among parents. It bothers me a little that perhaps we are causing unnecessary fears; that we might do some psychological damage to those children by teaching them to be afraid of strangers. However, after one parent came forward—I believe it was at the meeting in Ottawa—and described how her child had been saved by the fact that the child had training, my intern, Joydeep, and I had no hesitation from that moment on about going forward with the balance of our investigations.

5:50 p.m.

On the question of the social development committee, I am told by legislative counsel that

we do not have the authority to direct that the social development committee do it; we can only ask. I certainly take to heart the suggestion from the member for Riverdale that if that committee cannot handle it, another committee very well could be appointed to do so. The intent is not that it be a designated committee, although we feel that is the one most likely to deal with it. It is the one in which I gained my experience in this whole matter of abuse within the family, wife abuse and child abuse.

Mr. Speaker: The honourable member's time has now expired.

REGIONAL MUNICIPALITY OF HAMILTON-WENTWORTH AMENDMENT ACT

Mr. Speaker: Mr. Allen has moved second reading of Bill 39.

Motion agreed to.

Mr. Speaker: Shall that go to committee of the whole House?

Hon. Mr. Nixon: Third reading.

Mr. Speaker: It must go to committee of the whole House.

Bill ordered for committee of the whole House.

MISSING CHILDREN

Mr. Speaker: Mr. McGuigan has moved resolution 17.

Motion agreed to.

BUSINESS OF THE HOUSE

Hon. Mr. Nixon: I would like to indicate the

business of the House for the remainder of the week and for the week of November 18.

This evening we will continue second reading of Revenue Bills 47, 48, 50 and 51, and if time permits, committee of the whole if required, plus committee of the whole on Bills 45, 46 and 47.

Tomorrow, third reading of Bills 8, 14 and 27 and second and third readings of private bills Pr1, Pr2, Pr5, Pr6, Pr10, Pr13, Pr14, Pr16, Pr18, Pr20, Pr21 and Pr23, followed by legislation not completed Thursday evening.

On Monday, November 18, we will begin the estimates of the Ministry of Revenue, would the members believe.

On Tuesday, November 19, in the afternoon and evening, we will continue with any Revenue legislation left over from Friday, God forbid, then second reading and committee of the whole, if required, on Bills 44, 43, 22, 11, 12, 13 and 34.

On Wednesday, the usual three committees may sit.

On Thursday, November 21, in the afternoon, private members' public business standing in the names of Mr. Pierce and Mr. Charlton. In the evening, we will proceed with legislation not completed on Tuesday.

On Friday, November 22, we will continue with the estimates of the Ministry of Revenue.

I remind everyone the House will not sit next week, and I want to say we expect His Honour to be present in the chamber tomorrow, close to one o'clock, for royal assent.

The House recessed at 5:53 p.m.

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Hansard

Official Report of Debates

Legislative Assembly of Ontario

First Session, 33rd Parliament

Thursday, November 7, 1985

Evening Sitting

Speaker: Honourable H. A. Edighoffer

Clerk of the House: R. G. Lewis, QC



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LEGISLATIVE ASSEMBLY OF ONTARIO

Thursday, November 7, 1985

The House resumed at 8 p.m.

LAND TRANSFER TAX AMENDMENT ACT (continued)

Resuming the adjourned debate on the motion for second reading of Bill 48, An Act to amend the Land Transfer Tax Act.

Mr. Partington: I am pleased to speak with respect to Bill 48, An Act to amend the Land Transfer Tax Act. I wish to record my opposition to the bill, particularly clauses 2(1)(a), (b) and (c), which basically place a tax on the purchase of property. The tax does currently exist. It is \$4 a thousand on the first \$45,000 and \$8 a thousand above \$45,000. As it is proposed, the act increases the tax from \$4 per thousand to \$5 per thousand up to \$55,000—that is a half of one per cent—and above \$55,000, the act increases the tax from \$8 per thousand—from eight tenths of one per cent—to \$10 a thousand, which is one per cent.

On the face of it, that might not appear to be a very serious increase. What it does is impede, discourage and place in jeopardy the opportunity of families and young people, particularly first-time home buyers, to buy a home. Buying a home and owning a residence is a right that every person in Ontario should have. This tax increase is hurtful. It undermines the chances of many people in our community of owning a home. It is front-end-loading first-time home buyers out of existence.

This government should be moving now to encourage home ownership. Home ownership is an important part of housing policy. There has been a great deal of emphasis placed recently on rental accommodation and the developing crisis of zero vacancy rates. Surely this government should be moving to redress that problem by encouraging home ownership.

It might appear from the printed version of the bill that it is an innocent increase, but at \$45,000 the tax goes from \$180 to \$225, that is a 25 per cent increase on the face of it, but I will be happy to show the House that it is much higher than that.

At the \$100,000 rate, the tax on a house jumps from \$620 to \$725. That is an increase of \$105, which works out to 17 per cent. I am sure that

when we talk about \$100,000 purchases and \$45,000 purchases, figures such as \$225 and \$725 seem a small amount of money. However, the House should be aware that when people make purchases of the nature of \$100,000 they may be paying down \$10,000, and when they make a purchase of \$45,000 they may be paying down \$4,500, the balance being borrowed money.

I noticed in the Toronto Sun yesterday the Toronto Real Estate Board's statistics on the average resale price of homes in the city of Toronto. I guess Toronto is some distance away from a \$45,000 house. The average resale home in Toronto in 1984 was \$102,318 and the average resale home in 1985 in Toronto had increased to \$112,831. That is an increase of \$10,513 on an average house.

Last year the tax collected on the average house in Toronto amounted to \$638.50. That is the old tax on the old price. One year later, the tax collected on the new average house sale in Toronto is \$853.31. That is an increase of \$214.81 that a new home buyer has to bring in when he buys a house in Toronto. That is a 34 per cent increase in the amount of money a first-time home buyer has to pay Ontario for the privilege of buying a house. Again, it is only 34 per cent and that is only \$214.

Hon. Mr. Nixon: A lot of people think it is lawyers' fees.

Mr. Partington: I say to the Treasurer (Mr. Nixon) it is \$853. We have what appears to be a 25 per cent increase on the low end and a 17 per cent increase on \$100,000. I might mention that once one gets above \$55,000 the tax increase for similar figures is 20 per cent.

I am quite happy to disregard what happens once we get up in the higher figures because I do not think it is applicable. We should be looking at what most people in Ontario buy, at what most home owners buy. We should recognize that most home owners are not rich. A house purchase is the single most important investment they will ever make in their lives.

The House may believe that land transfer taxes in the range of \$400 to \$800 is not much money, but let me explain what happens when a first-time house buyer goes about buying a house. If he is

buying a house at the \$112,000 level in Toronto, which appears to be an average price sale, he may be paying in total \$11,000 down; he is borrowing the rest. He or she is a working man or woman and if he or she is fortunate, and it may be necessary, his or her spouse will also be working.

At the time of buying the house, they have to pay mortgage application fees, mortgage appraisal fees. We are in the range of \$250 to \$400 for that item alone.

Mr. Haggerty: It sounds like a lawyer's field day.

8:10 p.m.

Mr. Partington: Maybe this is a time when a lawyer's explanation might be appropriate.

Then a survey is required and that costs between \$500 and \$750. That is reality and it is time the government understood reality. Then there are registration fees and municipal fees for getting tax certificates and property standard clearances, and so one adds on \$100 there. Then there are reasonable legal fees, I must admit, that can run anywhere between \$500 and \$1,100.

When we put all that together, the home buyer probably has to come up with \$2,000 or \$3,000 in addition to the \$11,000 he has to put down to buy the house; maybe 30 per cent of it.

Mr. Haggerty: How about the lawyer's fees?

Mr. Partington: I just discussed that.

Mr. Speaker: Perhaps the honourable member would address his remarks to the chair and disregard the interjections.

Mr. Partington: I am sorry, Mr. Speaker. I just got carried away because I believe this is a tax that truly impedes home ownership at a time when home ownership should be encouraged.

This government is not just putting a \$200 increase on a tax this year. It is asking a member of the public to pay \$800 to \$900 on maybe an \$11,000 investment. At the same time, that individual has to come up with \$1,500 to \$2,000 in additional expenses. The land transfer tax is becoming the straw that is breaking the proverbial camel's back.

At a time when all those costs are incurred, the first-time home buyer is usually also hit with things like tax adjustments, heating oil, buying drapes, fridges and stoves and paying moving expenses. I think experience would show that normally a first-time home buyer often has to depend on next week's paycheque to help put the transaction together. He does not have \$200 extra in after-tax earnings to pay a 34 per cent increase in land transfer tax to the government of Ontario.

Home ownership, as I indicated before, should be encouraged. Home ownership stimulates construction, landscaping endeavours, decorating, home furniture sales and a myriad of other activities that help to make this economy work.

The Land Transfer Tax Amendment Act, as I indicated earlier, is impeding and will impede home ownership if it is passed in its present form. We have heard the Minister of Housing (Mr. Curling) and others talk from time to time about the housing crisis and the apartment rental crisis. One way to ease that crisis is to encourage home ownership, and certainly this government should not increase the tax rate. This is an ad valorem tax. The tax goes up 10 per cent or more every year anyway.

Mr. Wildman: I thought the members of that party liked that.

Mr. Partington: The member should listen, because they are the ones who should be defending the status quo.

Mr. Wildman: The member's party introduced the ad valorem in the first place.

Mr. Partington: I am talking about the first-time home buyer. The tax on the average house in Toronto in 1965, 20 years ago, was \$38. It will be \$853 if this amendment is passed. That is a big increase.

To get back to the thrust of my argument, we have to encourage home ownership. The tax should not be increased. If this government were thinking of a strong housing policy, it would not even maintain the status quo with respect to the Land Transfer Tax Act. It would and should exempt first-time home buyers from the land transfer tax. Let us help these people buy houses.

If the government does not want to exempt first-time home buyers, there should be an allowance. The land transfer tax should kick in after the first \$25,000, after the first \$50,000; or maybe, at least here in Toronto, after the first \$100,000. But the government should be doing something to encourage home ownership. It should not pass a bill that destroys and inhibits the ease of purchasing houses.

I urge every member of this House, and particularly members of the third party, to be concerned about the average working man, to be concerned about the first-time home buyer, to help these people to have an environment in which they can raise their families, where they can grow, where they can invest and, when they reach retirement, they can have a nest egg for their future. To do that, the government must amend this act. They must not pass it in its present form.

Mr. Callahan: I am going to be very brief on this matter. A house is something most people buy only once in a lifetime. If my friend the member for Brock (Mr. Partington) is talking about the speculator, I cry for him because he is going to have to bring in that extra money when he buys those five, 10, or 15 houses. That drives the price of houses up. It is not the home owner who buys one house, it is the speculator, and I have no sympathy for him at all.

Most of the people I have acted for over the years considered the land transfer tax to be something they paid for that most precious commodity, their first-time purchase. Maybe we should be addressing the question of other costs. I have never seen a client come in yet for whom a lawyer could not reduce his fees if that person was in difficulty. Or perhaps we should be looking at something the Tories never looked at, the introduction of a land registry system which allows a person to simply mechanically check out the title instead of constantly having the legal profession, year after year, purchase after purchase, do the same title search every time and charge the same fee for doing it.

I have never seen any progressive legislation during the Tory regime of 42 yawning, ho-hum years when they addressed that issue. Had they done it, there would not be this additional cost involved for the legal fees. It could probably be done at this time through just putting a coin in a machine and getting a title. It is done in the United States and I cannot understand why it has never been done in Ontario, except that it was the friends of friends.

My friends on the other side of the House, rather than having this one-time purchase tax by paying this small pittance the Treasurer has brought forward, would tax car seats for children and feminine hygiene products. In Ottawa, they tax the senior citizens—all the people who cannot fight back. I suggest this tax is eminently fair. It approaches it from the standpoint of something very sensitive to the Treasurer; it is a matter of a one-time purchase.

The Leader of the Opposition (Mr. F. S. Miller), the former Treasurer, seemed to have the information we were going to increase the sales tax to nine per cent. He thought that because he would have preferred to raise the sales tax to nine per cent and reap a great vast amount of money, not once but every time someone bought a commodity, most specifically children's car seats or feminine hygiene products; or he might close a hospital or two to try to get the money to look after this province. Instead, the present

Treasurer in this sensitive government looked at it in terms of the items which will affect people on a one-time basis, and it is a very minor increase.

That tax, along with the other taxes contained in the Treasurer's budget, demonstrate a very sensitive government, a government which cares about the people, not one that will go out and try to find areas where it can tax people on the basis of their not being able to fight back. That tax in itself demonstrates the humanity of this government.

8:20 p.m.

Mr. Cureatz: I would like to take the opportunity to say a few words with regard to this very novel idea of increasing taxes in Ontario.

First, I would like to congratulate the Treasurer. In times gone by, he and I had many interesting discussions. When I was in the lofty position of Deputy Speaker, I can remember only too well when he was House leader, and heaven forbid, when the member for Sudbury East (Mr. Martel) was the House leader for the New Democratic Party, and we had some trying times in the chambers. I can think of other more blissful occasions, such as little trips to Newfoundland and carrying on on the beach. He has come a long way now that he is Treasurer of Ontario.

I notice everybody has been centring in on the more detailed aspect of this tax. I have a concern in terms of what the Treasurer plans to do with all this money.

Hon. Mr. Nixon: Spend it.

Mr. Cureatz: Spend it. Now that he mentions spending it, the first area of concern I have is exactly what benefit this has for the farmers of Ontario. With regard to the budget, the increase in taxes and this bill, I cannot see how the Treasurer is going to come forward with a great plan to help the farmers.

For all the people in the back row over there on the government side, the former Treasurer in a past incarnation, when he was House leader over here, had a great story about the White bean picker. Does the Treasurer remember the White bean picker?

Hon. Mr. Kerrio: They were soybeans.

Mr. Cureatz: He is looking so blank. This is an interesting story concerning the White bean picker, where White Farm Manufacturing Ltd. made a combine which was the combine of combines apparently. This combine could pick beans so fast that one would blink his eye and finish 100 acres. The Treasurer, in his esteemed wisdom and through the graciousness of his

heart, decided his farm would be the ideal place to try out this White Farm bean picker. Does the Treasurer remember those days?

I want to know why this tax is being placed on prospective property buyers when we are not told by the Treasurer how he plans to spend the money from this tax, and more specifically, spend some of it for the great farmers of Ontario. I hope in his summation he will be relating to all members of this House how he plans to spend the money.

Mr. Callahan: We are spending it on the past sins, Minaki Lodge, Suncor.

Mr. Wildman: What has all this got to do with the bill.

Mr. Cureatz: The member for Algoma (Mr. Wildman) wonders. He is not sure what it is all about. I am not sure what it is all about either.

Do members remember this picture? Was this not great? Signed, sealed and delivered. Do members remember that one in the Toronto Sun? It is getting a little faded around the edges, but I dug it up out of the many files.

Hon. Mr. Nixon: Your death knell.

Mr. Cureatz: Maybe, and maybe it is going to be the Treasurer's death knell at some future time.

I would like to know where this tax falls under the accord. I have been looking through this feverishly and I do not see anything under here with regard to the Land Transfer Tax Amendment Act.

Mr. Martel: Keep looking.

Mr. Cureatz: The member for Sudbury East says to keep looking, and I am looking. It is headed, "An Agreement for Reform of Minority Government." We will see how the vote comes in regard to some of these tax bills and we will see who really understands the parliamentary process. Let us take a look. It says:

"We undertake the following:

"The leader of the Liberal Party will not request a dissolution of the Legislature during the term of this agreement except following defeat on specifically framed motions of no confidence."

Let us take a look at specifically framed motions of no confidence.

Mr. Martel: Would the member speak to the bill?

Mr. Cureatz: Mr. Speaker, I am hardly the one to give you advice on whether I am speaking specifically on a bill or not, but I assure you in the fullness of time I will come exactly to the point

in question, and that is in regard to the Land Transfer Tax Act.

Mr. Speaker: I have been waiting.

Mr. Cureatz: With regard to the accord, when we take a look here, we see, "Proposals for action in first session from common campaign proposals to be implemented within a framework of fiscal responsibility." Here we go.

"Introduce reforms to the Occupational Health and Safety Act." That is very honourable, I must admit. "Continue the prebudget freeze on the ad valorem gasoline tax." We have not got to that one yet. "Wind up the Royal Commission on the Northern Environment. Provide full coverage of medically necessary travel under the Ontario health insurance plan."

Where in this accord is there anything about the Land Transfer Tax Act? Is this the new behind-the-scenes government, the one we were so fearful of? Is this the hidden agenda? Suddenly, we have the New Democratic Party supporting the Liberal Party with regard to the Land Transfer Tax Act. I am wondering whether this is the thin edge of the wedge. At last we have really seen the true colours of the New Democratic Party.

Mr. Foulds: Those within the red line. Do you know there actually is a tax reduction in this bill?

Mr. Cureatz: I am going to talk about the member's leader again and all the lawyers in these chambers. We all know how well the Treasurer likes lawyers, barristers and solicitors. One day what I would really like to do—

Mr. Speaker: Order. I appreciate there may be some legalese in your remarks that I do not understand, but please come back to the land transfer tax.

Mr. Cureatz: There is some legalese here you do not understand, Mr. Speaker, but if you allow me to continue it will become very clear.

The point is that the Treasurer dislikes lawyers immensely. We can look back over Hansard for years. Even in the humble eight or nine years I have been here, in speech after speech he continues on about how he dislikes lawyers. What I would really like to know is who his law firm is with regard to placing mortgages on his farm, the farm I often heard about from that great former member, Eric Cunningham. He used to complain all the time about visits to that lovely farm out in George's—am I close?

Hon. Mr. Nixon: St. George. The last time the land transfer tax was paid on that was 1848.

Mr. Cureatz: That is the point. For the Treasurer, it does not hurt too much because he

has not paid it. The Treasurer has acknowledged it does not hurt him personally, but the point is it will hurt a lot of people across Ontario with regard to new purchases.

Who really gets stung with regard to the land transfer tax? My learned colleague alluded to the fact, and the Treasurer even shouted over to me, that the lawyer usually gets stung. Everyone is saying that the land transfer tax is an extra bill the lawyer is billing to his client.

I was most moved by the new member for Brampton (Mr. Callahan), who has since left. He indicated it was about time this small pittance of a tax came into being. I will remind all members of this chamber that the member for Brampton practises criminal law. He is not too worried about the Land Transfer Tax Act and the increase of taxes with regard to this legislation. It does not matter a hill of beans to him because he is out there in the criminal court.

Mr. Offer: Where is the member from?

Mr. Cureatz: Let me remind all the members of something, including the member for Mississauga North (Mr. Offer), because he is doing some real estate. I will get copies of Hansard and make sure we send them out to all the lawyers of the Law Society of Upper Canada in Ontario so all the lawyers will know that the Liberal Party is not interested in the legal profession whatsoever, as indicated by the member for Brampton.

Hon. Mr. Nixon: Who was it who did not give them more legal aid money? It was the Tories.

Mr. Cureatz: Indeed, the Treasurer is not very interested in the legal profession in Ontario. He indicated to me in this House—we will have to check Hansard later—that the law firms get stuck as if it were an extra bill. We can solve that problem. Maybe with this increase in taxes the Treasurer could run around and explain to all the people of Ontario that the humble lawyer should not get blamed with regard to this increase.

8:30 p.m.

I am surprised the leader of the third party has not stood up in defence of his own legal profession from time to time. I heard by the grapevine he did a very honourable job in thanking the guest speaker, the Premier (Mr. Peterson), at the University of Toronto law school criminal division reunion. I was hoping that at some time in these chambers I would see the leader of the third party stand up and mention something about his profession, but never a note. I thought this would be his chance, that, finally, he would get up and say, "I am concerned about the Land Transfer Tax Act."

I was hoping the member would get up and say: "Do you know why, Treasurer? It is because lawyers always get blamed for it." Whenever they send out their bill, it always says land transfer tax, which is extra money that should be paid to the Treasurer. I am very confident the leader of the third party will be getting up very soon and expressing those kinds of concerns about his own profession.

If the Treasurer is not going to do that, let us take another look at where he might spend the money. I wish he would be a little more clear about the Land Transfer Tax Act and the increase he is putting on people buying property in Ontario. He yawns nonchalantly.

I want to remind the members in the back row on the government side that if I have listened to one speech in this chamber, I have listened to 100, 200, 1,000 by the now Treasurer. One of his great speeches all the time was about a fellow by the name of Charles MacNaughton. Do the members recall Charles MacNaughton? I do not because I was not here at that time.

Mr. Martel: I remember him.

Mr. Cureatz: Then the member can correct me if I am wrong.

The present Treasurer always used to say to the then Minister of Transportation and Communications, Jim Snow, who, I see—that is another story for another time. He used to say to Jim Snow: "I am very disappointed in you as the Minister of Transportation and Communications. What happened to those huge budgets with regard to road building in Ontario?"

Does the Treasurer remember those great speeches? It brought tears to my eyes. I would be sitting in that chair and taking out my Kleenex. He would say, "Where is all that money for the roads in Ontario?" Maybe this is where the money is now going to go. But before we support the bill, it is incumbent upon the Treasurer to have fuller explanations on the spending aspects of the Land Transfer Tax Act. I bring up that item to refresh the Treasurer's memory.

Interestingly enough, speaking of roads, he has commented to me that he would often take a little trip to visit his daughter in Belleville somewhere. A little nod? Yes? No? At one point, he said he had had a little trip on Highway 401 travelling east from Toronto.

Mr. Wildman: Does this have much to do with the bill?

Mr. Cureatz: Mr. Speaker, this is very interesting. If you listen and be patient another minute or two, I will confirm to the member for

Algoma that it is right on point with regard to the Land Transfer Tax Act.

Highway 401, the great artery of Ontario, more specifically southern Ontario, is now getting—is there a hush in the chamber?

Mr. Wildman: They are all asleep.

Mr. Cureatz: Ruts, R-U-T-S. What is the rut? Everyone is laughing and giggling. Big deal. Highway 401 is getting ruts.

Mr. McClellan: Who is the member talking about?

Mr. Cureatz: I will tell the member. I have had constituents coming into my two riding offices, transportation truck drivers, ordinary people driving ordinary cars, complaining that once their vehicles get in those ruts they cause accidents, because the tires get set into those parallel lines and when they try to get out and pass they lose control and the car overturns.

This is very serious. I wrote to Ed Fulton. Have you seen Ed's name now on these great massive signs which, I must confess, I always felt a little embarrassed about?

The Deputy Speaker: Order. Would the member please address the chair; and second, refer to members by their ministry or their riding.

Mr. Cureatz: These beautiful big blue and white signs, which formerly had the name of the Minister of Transportation and Communications, Jim Snow, now have Ed Fulton. I wrote to Ed—

The Deputy Speaker: Would you please refer to the ministers by their ministries or their ridings.

Mr. Cureatz: The Minister of Transportation and Communications.

I said, "Dear Mr. Minister," and then I crossed it out, as we all do, and said: "Ed, I have this problem. Through my riding and into the riding of Northumberland, Highway 401 is getting very dangerous to drive on. We are getting great big deep ruts in it."

Mr. Wildman: The member could have said this during the budget debate.

Mr. Cureatz: Do not worry. It is coming to fruition.

I said, "I want to know what you are going to do." He sent me back a nice letter and said: "The problem has been resolved. We have put signs on the highway telling people the highway is unsafe and to be very careful when driving."

I must give credit to the Liberal government. Sure enough, true to their word, there are the new

signs on the major artery of Ontario that say, "Hazardous driving for the next one kilometre."

Are the people over there listening? This is important. Write it down. I want them to get copies of it in Hansard and send them to the other Liberals who are not here so they can use them for nighttime reading.

The Deputy Speaker: Would the member return to the bill at hand?

Mr. Cureatz: They put up a great big sign that said, "Caution: Hazardous Driving," not for one kilometre, not for 3.6 kilometres, but for 36 kilometres. Then there is another sign, "Caution: Hazardous Driving," another 52 kilometres. I would not mind the signs being up if we were assured that at some point the Minister of Transportation and Communications would come out with a full budgetary comment about Highway 401 being fixed up.

What does this have to do with the bill? We want to know whether the Treasurer, when he raises this pittance of a tax, as his own colleague the member for Brampton said, is going to guarantee to this chamber that some of those pittances are going to go towards the maintenance of some of our major roads in Ontario.

Mr. Martel: The member's party was in power for 42 years.

Mr. Cureatz: The road just deteriorated now and it is now their responsibility. Do not forget, you guys are supporting them. Remember the accord? I think you should be embarrassed that the road is in such a condition. In my next column I will mention that the third party is responsible for the condition of Highway 401.

The Deputy Speaker: Order. Will the member please address his remarks through the chair, and there will be fewer interjections.

Mr. Cureatz: My train of thought, until I was interrupted, was where the Treasurer was going to be spending this pittance of a tax, as the member for Brampton indicated.

I have another area of concern, and I am so happy, so very pleased. Do members remember a gentleman who used to say, "In my heart of hearts"? Does the member for Sudbury East remember that? He used to say, "In my heart of hearts." I am so pleased in my heart of hearts that the Minister of Energy (Mr. Kerrio) is here, because if I had some assurance from the Treasurer that this pittance of a tax would go—and this is going to be good—towards the continued construction of the Darlington generating station, then I would feel a little more comfortable about it.

The Treasurer, the Minister of Energy, the Chairman of Management Board (Ms. Caplan) and all his other cabinet colleagues are eventually going to have to bite the bullet in regard to the Darlington generating station. Although the minister appeared before the committee, smiled very nicely and had all kinds of wonderful things to say to us about energy, he did not specifically say what his government's policy was going to be with regard to Darlington.

I wonder whether I have a little clue that this pittance of a tax in the Land Transfer Tax Amendment Act is going to go to the continued construction of the generating station. I am looking forward to the comments of the Minister of Energy with regard to this bill to see whether that is going to be the case. If it is not the case, then we are going to look with great interest to the decision of the Minister of Energy and his cabinet colleagues some time in January or February with regard to the generating station.

Last but not least, we on this side of the House are very concerned about the detailed aspects of the legislation. As a matter of fact, I spoke with my colleague the member for Dufferin-Simcoe (Mr. McCague), and he is interested in some specific sections of the legislation. He is so interested that he is not even quite sure which way we should be supporting the specific aspects of the legislation. We shall all wait with bated breath for the end of the evening to see whether we will be supporting it.

8:40 p.m.

Mr. Wildman: I listened attentively to the member for Durham East (Mr. Cureatz). I was very moved by his plea for the poor lawyers, although it was somewhat self-serving. I wonder where he had dinner this evening. I was a little disappointed that the member, who when he served as the Deputy Speaker was well respected on all sides of the House for his ability to maintain a debate on topic, could go on at such great length about the White Farm bean-picking machine, harvester or whatever it was called.

Hon. Mr. Nixon: Combine.

Mr. Wildman: Combine. The only relationship it had to the matter at hand was the very fact that the whole speech did not amount to a hill of beans.

Mr. Andrewes: The member for Durham East outdid himself, and he has stolen some of my thunder.

I want to address some comments to this piece of legislation and to the Treasurer as they relate to the agricultural community. I am sure the

Treasurer has been well briefed by the Ontario Federation of Agriculture, as recently as yesterday, that farms in Ontario now change hands an average of once every 15 years. That may not be the case in the area of St. George, but it is the case across the province.

The Treasurer is well aware of the problems in the agricultural community. If he is not aware of those by now, I am not going to spend a lot of time enumerating them, because I am sure the boys at Earl's have kept him up to date. When I travel my riding, I cannot get to Earl's because I cannot afford to make that trip. When I travel around my own riding, I go into such esteemed social establishments as Christie's Dairy Bar, Keith's Restaurant and Ernie's Restaurant in Grimsby, which was formerly the Peach Bar. It was appropriately renamed Ernie's. I do pick up the odd tidbit of information. I have learned—

Mr. Cureatz: On a point of order: I would like the honourable member to confirm whether these are the same people who own Earl's garage.

The Deputy Speaker: That is not an appropriate point of order.

Hon. Mr. Nixon: The reference to Ernie's Peach Bar was a nonparliamentary slur.

Mr. Andrewes: It is Ernie's Restaurant, formerly the Peach Bar. It was renamed when Ernie became the proprietor. He renamed the Peach Bar.

I want to stress to the Treasurer that this particular tax does have some modest influence on life in the agricultural community. The Treasurer has provided some partial exemption on single-family residences, which are currently eligible for the farm tax rebate. However, the Treasurer, above all in his caucus—and when I look at his caucus here this evening I do not see a strong agricultural influence. There is the member for Oriole (Ms. Caplan) and the member for Niagara Falls (Mr. Kerrio). We have some at the southwest end on the government side of the chamber.

The Treasurer, because he was raised in an agricultural community and has been briefed by the Ontario Federation of Agriculture, knows the pressure on that sector. He knows that the agricultural industry is in a state of transition and that in many instances consolidation of farms is occurring on a daily basis. It is something I think all of us recognize as being necessary and that we should be encouraging. However, what the Treasurer has done with this tax is punitive. In the long run it probably will not limit sales. Those sales will take place anyway. However, it is another nail in the already tight and uncomfort-

able coffin the agricultural community finds itself in.

I am going to suggest the Treasurer consider extending the exemption he has given on the land transfer tax to the second residence on the farm and to any agricultural property so he can provide what the member for Brampton has properly described as a humanitarian consideration to this legislation. I believe that will encourage the kind of consolidation and rationalization we know must take place in this industry. I urge him to consider that as an amendment to his bill.

Hon. Mr. Nixon: I guess the land transfer tax originally was designed to pay for the registry office and the services therein. It was probably just a few farthings at the bottom of the lawyer's bill, going back into the 17th century or whenever they started it. I am not sure it is a good idea to make it a direct revenue producer, but it has happened and I guess it will continue. There are still costs associated with registry, and as the member for Brampton has pointed out so carefully and usefully, there are many improvements we ought to consider.

I thought I should mention that because the member for Durham East asked me how the money was going to be spent, and I want to remind him that in this jurisdiction we do not have earmarked revenues, except under rare and special circumstances. The revenues go into the consolidated revenue fund and are spent under the direction of the Management Board of Cabinet and under the collective responsibility of the government of Ontario, responsible to this House and eventually to the people and finally, I suppose, to the good Lord, who judges us all.

The specific questions asked in the debate had to do with the exemption of apartments from the surtax. We considered this carefully and felt that in the circumstances, with our ongoing Liberal housing policy that is coming to grips with the needs of the province, it would not be practicable to add a surtax at that point, but condominiums and duplexes do attract the surtax.

The farms do not attract the surtax as long as they are officially farms. We designate them official if they are in receipt of farm tax reduction payments that go out over my signature. As long as they are official farms, they do not attract the surtax.

We gave this lengthy and careful deliberation, feeling it should be brought up to date as a revenue producer, but we do not feel it has an unduly heavy effect on any purchaser. The recommendation by way of revenue from the surtax level is so small that it is vanishingly small

and is meant to apply only to an Eaton starter house.

8:50 p.m.

I looked over this legislation and saw how it would be rather readily understood. I cannot imagine why any member of the official opposition would not know whether to vote for or against it, other than to quote a note from the Deputy Minister of Revenue. He quotes Charles MacNaughton, who, he said, once said in a debate in this House, "Anyone who is not confused here tonight does not really know what is going on."

It is fortunate that as Minister of Revenue, even though I have had this responsibility for only a short time, with the effective briefings available to me from the qualified staff in the ministry I am quite prepared to respond to questions and to convey information. If, God forbid, any scintilla of this information is not readily available, I will put members in touch with the appropriate officials.

Once again, I point out to members on all sides that in my judgement the bill in its principle is eminently supportable, and I look forward to unanimous support in this regard.

The Deputy Speaker: Mr. Nixon has moved second reading of Bill 48, An Act to amend the Land Transfer Tax Act.

All those in favour will please say "aye."

All those opposed will please say "nay."

In my opinion the ayes have it.

Hon. Mr. Nixon: By agreement—unanimous agreement of the House, I trust—we would postpone the division, under your direction, Mr. Speaker, until 10:15 p.m.

The Deputy Speaker: With unanimous consent, the division on second reading of this bill will be postponed until 10:15 this evening.

TOBACCO TAX AMENDMENT ACT

Hon. Mr. Nixon moved second reading of Bill 49, An Act to amend the Tobacco Tax Act.

Hon. Mr. Nixon: This bill replaces the ad valorem taxation of cigarettes and cut tobacco with a specific tax per unit. Future tax changes will not now be automatic but will require the approval of the House.

Utilizing this approach, the bill proposes that the new specific tax for cigarettes be 2.7 cents per cigarette. The new specific tax for cut tobacco and all other tobacco products except cigars will be 1.5 cents per gram or part of a gram. The tax rate on cigars remains at 45 per cent. These rates will take effect on the day following royal assent.

To simplify the objection and appeals process, the time allowed for the taxpayer to object to an assessment is extended from 90 days to 180 days. Provision is made to extend this time limit where circumstances prevent the taxpayer from meeting it.

The provision in the act that grants the minister rights of entry, search and seizure for any purpose related to the administration or enforcement of the Tobacco Tax Act is repealed. In its place, the corresponding entry, search and seizure provisions of the Provincial Offences Act will apply. The warrant provisions of the latter act allow the minister to enter, search and seize only when reasonable grounds exist to believe that an offence under the Tobacco Tax Act has been committed.

Other amendments in this bill are administrative in nature and consequential on the replacement of the ad valorem tax on cigarettes and cut tobacco with a unitary tax. They include the repeal of provisions defining taxable price per cigarette and taxable price per gram and of those authorizing the minister to make regulations prescribing the taxable price for cigarettes and per gram of tobacco.

Mr. Dean: The Treasurer (Mr. Nixon) has outlined the details of the bill in a brief summary. As with some of the other bills, the procedural and administrative items in it are not particularly contentious. I believe him when he says it is supposed to facilitate the processing of the tax and any appeals therefrom.

However, I do not agree with him that the removal of the ad valorem tax is a good move. It seems to me the Treasurer has removed the ad valorem tax on those items where there is some likelihood the price will decline. I cannot help feeling he is trying to look as though he is removing something when it may not be in the best interests of the people who would like to see the tax go down.

Be that as it may, I do not believe this government should be encouraging the production or use of tobacco by whatever means it might be using. It should have left the tax as it was.

This matter of the fix that some of the tobacco farmers find themselves in is one I can certainly have sympathy with, as a person who has tilled the soil. However, in the face of massive declines in demand and therefore sales, the only real way to solve the problems of the tobacco producers is to find something else for them to produce on the soil. That is where the efforts of the government should be concentrated.

As I believe I mentioned in the earlier part of the budget debate, the focus of the government's funds that it is using in the so-called transition proposal in the budget—I believe it was announced again today—should not be to bail out somebody who is about ready to go under in the tobacco business or in any other kind of farming, but rather should be encouraging farmers to switch to something else at a much earlier stage in the possible growth of their problems.

There are a lot of things that can be grown in this soil. There are a lot of others that perhaps could be; we do not know at the moment. I would like to see the government propose the establishment of more research to find a better and more socially acceptable product that could be raised on that soil and, therefore, find an alternative way of making a living for the farmers who are finding it difficult to keep up the kind of tobacco sales they are used to.

We could take a leaf out of the former government's activities—when I say “leaf,” I am not referring to a tobacco leaf—we could take a leaf out of the former Conservative government's book. When faced with something similar in the declining demand for freestone peaches, although I agree it was on a slightly smaller scale, our government encouraged growers to plant clingstone peaches, which were in demand, so that process of changeover could be speeded up.

Tobacco is a lot easier to change over than trees. Any member who knows anything about trees knows it takes a long time to get one into production. When one yanks out a full-grown tree, it is going to be some years before one gets back to that stage again. That is the sort of innovative application of our ingenuity the Treasurer would be wise to encourage in his colleagues, rather than a bailout procedure for farmers who may be having a tough time in the tobacco business.

In short, I think the efforts to assist our colleagues in the tobacco farming community should be positive rather than a last-ditch, “just-on-the-brink-of-bankruptcy” rescue mission.

Be that as it may, whether the government will see fit to do that, which I urge the Treasurer to discuss with his colleagues, I do not believe we can support this bill as it stands.

Mr. Foulds: We support this bill. We do not believe in the ad valorem tax it removes. We also feel—personally, I feel strongly—we have reached the point where the so-called sin taxes are nonproductive. Taxation should simply be used as a method of gaining revenue, and so we support this tax.

9 p.m.

Mr. Lupusella: I am delighted to rise to make some short comments about this issue. Maybe I need some clarification from the Treasurer. There is a deletion of ad valorem taxes, but I think the taxes paid on cigarettes are going to be increased, so that means there is revenue to the Treasury. Do I understand that correctly? I might be wrong. I do not know.

As I thought, this bill will generate more money for the government. We understand the terrible effects of smoking cigarettes and tobacco in Ontario. I express my concern to the Treasurer. Will he be able to spend some of that revenue to educate the public about the detrimental effects of smoking cigarettes? I am sure all the tobacco farmers in Ontario are going to hate me for saying this, but we all understand the terrible effects of smoking cigarettes and cigars. The province has to show leadership and take a stand on that issue because it is detrimental to the health of our citizens.

In this bill, even though there is an increase in taxation, I had an opportunity to find out that the Conservative government in Ottawa is giving millions of dollars to the farmers. It is time we faced this dilemma and spoke frankly to farmers about this problem and tried to help them in a different way. Does it make any sense to raise money from the sale of cigarettes and then see another level of government giving millions of dollars just because the farmers are in terrible financial hardship with relation to this bill?

I hope the Treasurer will take my comments into consideration because I think it will be beneficial to the citizens of this province.

Mr. McCague: The purpose of this bill is to replace the existing ad valorem tax on cigarettes with a flat tax rate. The Liberals contend that an ad valorem tax was unjust and unfair and that all future tax changes will not be automatic but will require the approval of the Legislature.

The right-right over there or the left-left, whatever we want to call them, do not quite understand that all taxes—and granted, the government inherited them—be they retail sales tax, income tax, corporations tax, whatever, are all ad valorem taxes. The sooner the members opposite get that into their minds, the better. They do not understand. As a matter of fact, I am not sure the Treasurer understands, or the member for Sudbury East (Mr. Martel).

Mr. Martel: You are the only one who understands anything.

Mr. McCague: The member is getting revved up, by God. Let her go, Elie.

The Acting Speaker (Mr. Morin): Order. Would the member please address his comments to the chair?

Mr. McCague: Yes, Mr. Speaker. Would you tell the member for Sudbury East the sooner he gets revved up to his old style, the better things will be in this House? Would you mind telling him that?

The Acting Speaker: No.

Mr. McCague: He would not mind telling him, he says. That is great.

In any event, is not the retail sales tax an ad valorem tax by another name? I do not need an answer now. When sales go up, the retail sales tax automatically brings in more revenue. Income tax is an ad valorem tax by another name. When one's salary goes up, one's income tax goes up automatically.

I ask the Treasurer, when federal income tax increases, does not Ontario automatically get a larger slice of the pie? Will his government now move to change the retail sales tax process? I think not.

Would the Treasurer mind paying attention, as he has asked me to do on several occasions?

Hon. Mr. Ruprecht: In one ear he hears you; in the other he hears me.

Mr. McCague: He is much more interested in what I have to say than he is in what you have to say.

Mr. Andrewes: I am sure what the member for Parkdale (Mr. Ruprecht) has to say goes in one ear and out the other.

Mr. McCague: It is a through process. Never mind.

The Treasurer knows of what I speak. In hindsight, we in the Conservative Party made a mistake. We called a couple of taxes on wine and cigarettes, those sin taxes, ad valorem. On fuel, we called them ad valorem. Had we called the others ad valorem, I suggest the Treasurer would not be suggesting today that we remove all those, what he does not want to refer to as ad valorem taxes; he is willing to carry on the ones the public does not quite understand and try to diminish those the public seems to understand.

In Bill 49, the government removes the ad valorem tax and replaces it with flat tax which brings in more revenue than the ad valorem tax.

Mr. Wildman: That is true.

Mr. McCague: I thank the member. That is the first visible sign of support.

Under the ad valorem tax we received \$5.32 in tax on a carton of 200 cigarettes. Under the Treasurer's plan we receive \$5.40 in tax on a

carton of 200 cigarettes. I hope those figures are right. When I say "we," I am referring to we, the citizens of Ontario. I happen to be one of those who has not quite broken the habit of supporting the tobacco growers of this province. I do not think the Treasurer sincerely applauds that, even though he did.

Hon. Mr. Nixon: I will accept the member's money under any circumstances.

Mr. McCague: That is right. The only smoke I have seen from the Treasurer is smoke and mirrors. I happen to puff away on occasion.

The Treasurer has always espoused his concern for the tobacco farmers in Ontario and the problems they have been facing. I understand that. A lot of them are from his area and, to this point, it has been an important industry for this province.

A few years ago, in Simcoe county and very close to it, we had 100 tobacco growers in that general area. After a few years they found they could not stand the frost up there. I understand the people down in his area cannot stand Nixon. Who is going to put them out of business: Jack Frost or Bob Nixon? I am not sure.

The Treasurer raised the tobacco tax, which will bring him an additional revenue of \$8.8 million per year, and put in his budget \$6 million to be used for farmers forced out of the business by his government. The cost to the farmers of Ontario is an additional \$1.2 million in taxes.

The Treasurer will recall the opening of the Norfolk county fair, a great fair. Fairs are very important to this province, as I know he will agree. There, 100 angry tobacco farmers stormed the traditionally peaceful county fair demanding that the Minister of Agriculture and Food (Mr. Riddell)—the Treasurer knows who he is—help their faltering industry. Rather than the usual cheerleaders and laughter, the minister found himself faced with angry protesters and placards. The demonstration degenerated quickly and the protesters had to be dispersed by the police after about 10 minutes.

9:10 p.m.

Barry Murray, chairman of the Ontario Flue-cured Tobacco Growers' Marketing Board, said the protest was an indication of the growers' frustration. He added that he felt bad about the demonstration, but the minister had to understand that if he were losing his home and watching his life being destroyed before his eyes he would act similarly.

I remind the Treasurer that he is now the government.

Mr. Wildman: If this were Margaret Thatcher's government, they would be bringing in law and order.

Mr. McCague: Would the member remember that too? He is one of the pups in the litter.

The Minister of Agriculture and Food stated at a luncheon later, "I want tobacco growers to know there are 80,000 farmers facing problems this year and they all have to be taken into consideration." I agree with that, but that is no consolation to the people who were there to talk to him. He continued, "We cannot just help tobacco farmers because they happen to find themselves in trouble this year." The minister also stated that the province is considering setting aside four cents per pack of cigarettes to be used to bolster export tobacco trade. It is a good idea.

He said he would be setting up a meeting of the Treasurer, the producers and the manufacturers to see if such a deal was possible. He declined to elaborate but indicated that if it worked out the deal would be included in the next provincial budget.

I see nothing in the budget suggesting an additional tax of four cents per pack of cigarettes to be used to bolster export tobacco trade. Was this proposal ever seriously considered? The Treasurer will respond later and I am sure we will get the answer. It will be a first, but I am sure we will get the answer.

Did the Treasurer meet with the groups mentioned by the Minister of Agriculture and Food or did he consult with the boys at Earl's garage to see if they supported such a move? I have no problem with the Treasurer consulting with the boys at Earl's garage. He and I are both grass-roots politicians who agree one gets a lot of good ideas at Earl's garage or McKee's Tire Service in Nottawa, or Rutherford's Car Sales in Beeton; and one can go on and on with that list, but he cannot get all his advice from there. There are some problems that he has to deal with as Treasurer which they do not understand. That is no insult to the people at Earl's garage and not even an insult to the Treasurer.

In a recent pre-election Toronto Star article written by Bill Walker, the government promised the use of one per cent of the province's ad valorem tax revenue for research on alternative crops to tobacco. Now that the government has removed the ad valorem tax and replaced it with a specific tax per unit, when can we expect one per cent of the present tobacco tax to be redirected for research on alternative crops?

We will get the answer when the Treasurer concludes his remarks.

Hon. Mr. Nixon: That will be a first.

Mr. McCague: For him, yes; he is exactly right.

Hon. Mr. Nixon: I thought I would say it before the member did.

Mr. McCague: I already said it. It will be a second.

The government stated it wants to aid the financially sick farm industry, but farm spokesmen indicated it would have to put more money where its mouth is if it wants to find a cure.

"This is a remarkable budget. Farmers' reactions run from indifferent to negative on this one," stated Bridget Pike of Wolfe Island, first vice-president of the province's largest general farm organization, the Ontario Federation of Agriculture. She also pointed out that between March 1984 and March 1985, Queen's Park collected \$583 million in tobacco tax; 82 cents per package of 25 cigarettes.

Does the Minister of Natural Resources (Mr. Kerrio) have something to say?

Hon. Mr. Kerrio: Yes, this speech could be worse.

The Acting Speaker: Would you please address the chair?

Mr. McCague: That is right. The minister can make another statement tomorrow.

The extra tax will add another \$8.8 million to provincial coffers and about \$12-million worth of adverse publicity from the farming community. This is Bridget again, talking about the Treasurer and his colleagues. "They are killing the goose that laid the golden egg; bleeding the guys to death before they can make the adjustments they have to make."

The president of the Christian Farmers Federation of Ontario said he had to be short in his comments, "because there is not much to comment on." The president of the Canadian Farmers' Survival Association also said, "Six million dollars will not meet the needs of farmers in trouble."

Together, the 2,000 tobacco farmers in Ontario produce 90 per cent of Canada's crop. The problem they face is supply and demand. As demand for tobacco has gone down in Canada, they have a supply surplus problem. Initiatives should be taken to aid them to cultivate new foreign markets.

This government has done very little in this direction. In other words, it has done very little for many of its constituents who happen to be tobacco farmers. The only new program for farmers introduced in this budget is a \$6-million

fund to help them get out of farming to pursue other occupations. There is nothing in the budget to help beleaguered farmers stay in farming.

We will have to weigh our alternatives in view of the actions the Treasurer has taken and let him know a little later.

Mr. Gillies: I will find it hard to follow my learned colleague, who is such a knowledgeable farmer, someone who is well versed in these matters of high finance because of the high offices he held in the former government.

I did want to say a few words about the tobacco tax, because it is of considerable importance. The tobacco industry is still of considerable importance to the part of the world the Treasurer and I come from. I do not know how this tax is going to go over at Earl's Shell; I suspect it will not be one of the major topics of conversation. But I do not think it is going to go over very well at all at the Delhi Belgian Club Ltd. The Treasurer has many friends down at the Belgian club in Delhi, Oscar Van De Walle and others. I could go on and on.

This part of the world is hurting. The tobacco farmers have been reeling for some years under—

Mr. Wildman: Tory rule.

Mr. Gillies: I do not think the member can blame the blue mould on us, but he can try if he wants to.

They have been reeling under a number of very serious setbacks in that industry. We recall that not so long ago in our part of Ontario the wealthiest, most prosperous and largest employers in the farming industry were the tobacco farmers. They were out buying a lot of new cars and a lot of new appliances and building big houses. It was a very good type of farming to be in.

They just seemed to be hit with one thing after another in the last couple of years. They complain incessantly about the levels of taxation on their product, not just provincial taxes but also federal taxes. Lord knows they complained enough about the taxes our government imposed on tobacco. They had a serious problem several years running with the blue mould, which seriously infected the tobacco crop. They have had ongoing complaints about the labour situation. All these things tie in to the situation they find themselves in and the effects this bill and the taxation will have.

I want to touch on a few of these things. I would not mind increases in tobacco taxation so much if I felt that the additional revenue raised was going to go towards helping to defray the costs that the effects of smoking have on our

health care system, but as I have pointed out in this House before in question period, we do not see that. We see a reduction in the increase in health care expenditures from some \$800 million last year to about \$600 million this year; we see a reduction in this government's commitment to the capital expenditures necessary to keep our hospital system in first-class shape, so I do not see the extra money going there.

9:20 p.m.

We had a presentation in our caucus the other day from the Non-Smokers' Rights Association, and it pointed out—I have no reason to doubt the statistics—that smoking is probably the number one contributor to the death of adults in this province, more than anything else one can name, more than drunk driving, more than traffic accidents, more than anything. This is a fact with which we have to come to grips.

My feeling about this tax, quite frankly, is that it is not going to do a heck of a lot. It is going to raise a bit more money in the short term than the ad valorem tax would have. I wonder if in the long term the ad valorem would have raised more.

This government has to come to grips with the tobacco industry in all respects. It has to come to grips with the fact that these farmers are hurting and they are not able to sell their crop. It has to come to grips with the fact they are not able to compete against imported tobacco from countries in South America where labourers are paid \$40 a month. It has to come to grips with a situation where to harvest, plant, succour and prime the crop that they do have, they find they have to import labour from the Caribbean.

In a time of high youth unemployment this is always a bit of a mystery to me, but we do still have to bring in a large number of people to help with the tobacco crop in our part of the world. Lord knows, I am not going to be overly critical of that. Some of these families in Jamaica and other countries in the Caribbean probably need that money to raise their families as much or more than many of our workers do. Just the same, it leaves one wondering why they cannot get young people to help harvest the crop.

People are losing their farms, they are planting less and they are selling less. This government has to come to grips with the fact that a \$6-million Band-Aid program in this budget is not going to make the difference, that we have to have some sort of meaningful program to get these farmers off tobacco and into other crops. I do not pretend for a minute that that is going to be an easy task. The soil that lends itself to growing tobacco does

not lend itself to many other crops that are going to achieve any kind of return similar to what these farmers can get from tobacco.

There have been some very interesting experiments in Brant county and in Haldimand-Norfolk with the planting of peanuts. Anyone who has been down our way and goes down Highway 24 from Brantford towards Simcoe will pass Picard Peanuts, which has been the largest commercial venture in this regard thus far. If one talks to the people who have tried it, the people at Picard or the other people who are planting peanuts, they are less than enthusiastic and they are less than ecstatic about the results they are getting. There is the same problem. Imported peanuts from South America and from the Third World at cut-rate prices are almost impossible for an Ontario farmer, with our labour and material cost, to compete against.

Other crops that might be suitable for this soil are hard to find, but I would urge the Treasurer to tell his colleague, the Minister of Agriculture and Food to launch a large-scale and meaningful research project into what might be the best uses for this soil. What can we offer these farmers by way of tangible assistance, guidance, training, grants or whatever might be required to get them off tobacco and into some other crop?

Mr. Wildman: If they would legalize pot, that would be a real revenue-getter.

Mr. Gillies: The member for Algoma has a suggestion that I would not dare to repeat in this House.

I have to feel this is the answer. We talk about trying to provide incentives to increase tobacco exports from Ontario to elsewhere. It might work and it might generate some additional percentage of sales. I do not think this is the answer. I do not think in the long run our friends, the tobacco farmers in southern Ontario, are going to be able to mount much of a competition against the cut-rate material coming in from the Third World.

Many tobacco farmers speak to me and they feel that one of the answers is a national, Canada-wide marketing board. They are pushing for that. For whatever reason, we have had numerous meetings and presentations on this matter—I am sure the Treasurer is as frustrated as I am—but this proposal is stalled in Ottawa.

Hon. Mr. Nixon: What is the member going to do about the Tory government up in Ottawa?

Mr. Gillies: It is up there and the members from the area, regardless of their political stripe, know that—

Hon. Mr. Nixon: Oh, yes, no politics.

Mr. Gillies: Let us not have any politics in here. They know that this is what the farmers want, and there it sits up on Parliament Hill. As to the long-term, tangible benefits of a national marketing board in tobacco, I have to wonder if that is much of the answer.

I will oppose this tax and I expect our caucus will oppose it. I do not think it does a heck of a lot. I do not think it addresses the problem. I urge the Treasurer to look at these things. He knows as much as or more than anybody else about the plight of tobacco farmers in this province. I urge him to look at a meaningful off-tobacco program, at a meaningful increase in the commitment in our health care system to combat the costs to this province of the effect of smoking. The health care costs of smoking in this province, I am led to understand, are staggering. We do not see a commitment in this budget to meet that challenge, nor any of the other challenges that face our health care system.

We need a meaningful program to move farmers out of tobacco and into other crops, so they can keep their farms and achieve a reasonable income for their families. The Treasurer should continue to urge the federal government to move, or at least to make a decision one way or the other, on the question of a national marketing board and to take a head-on and multifaceted approach to the problems that face our tobacco farmers.

My colleague the member for Dufferin-Simcoe (Mr. McCague) mentioned the situation the Minister of Agriculture and Food found himself in when he went to the Simcoe county fair. I did my usual stint a couple of days later at the Progressive Conservative Party booth at the Simcoe fair. I missed my friend the member for Haldimand-Norfolk (Mr. G. I. Miller). He was at the Liberal booth another day. We missed each other on that trip.

Regardless of political stripe, I do not want to see a Minister of Agriculture and Food for Ontario having to wade into a mob of angry people to try to justify a situation where they feel they have been deserted by their government, and that they cannot work their land to raise their families and keep their farms. I do not care whether it is a Liberal or a PC minister—

Mr. Rae: Or.

Mr. Gillies: —or a New Democratic Party minister, the member for York South (Mr. Rae) cautions me. Heaven forbid.

I hope we can take a meaningful approach to this situation, so that even a year or two years

from now, when my friend the member for Haldimand-Norfolk and I go down to the Simcoe county fair, the minister will not have been greeted by an angry mob but by a group of people saying, "Our government listened and took steps to alleviate our problems."

Mr. G. I. Miller: I was not going to enter into the debate on the tobacco tax issue, but after listening to the two members from the opposition, I felt I should rise and clarify a few points about what the tobacco industry has meant to Canada, and to Ontario in particular. Tobacco has built an area of Ontario where there was nothing but blowing sand; the area could grow nothing. There were very poor crops in the 1930s. It has grown from that to a very prosperous area. Tobacco has been one of the reasons.

The point has been made by the member for Brantford (Mr. Gillies) and the member for Dufferin-Simcoe that there are alternatives that might be utilized to take the place of tobacco. I am not promoting tobacco. Our young people should be concerned for their health and future. Everyone has to make a decision and we should make the point very strongly as far as the health of our young people is concerned.

Tobacco was used by the Indians. It was used by my grandmother, who used to smoke in the little house behind the barn so the kids could not see it. There is much satisfaction from the pipe and smoking. Going back to the services, our young people who stood up for us always looked forward to cigarettes from home. They could barter them if they did not smoke and make a pretty good profit. Many of those stories were related to me.

9:30 p.m.

We are talking about a community where there are roots. They built, struggled and provided homes, and the community and the province are depending on it.

We can put them out of business and import it. I will give an example: the burley tobacco producers. Not a pound of burley tobacco has been grown this year, and we are still importing \$5 million to \$6 million worth of tobacco to replace that. Is that what we really want to happen in Ontario? Put our farmers out of business and then import it from the Third World countries when we can do it here?

As long as it is on the shelf, I think we have to be realistic. The Minister of Agriculture and Food has taken strong steps to strengthen the agricultural industry, and he has done that in the light of the fact that tobacco is an agricultural

industry. It was indicated by the former Minister of Transportation and Communications, on the opposition side now, that only \$6 million was put into replacement of crops. That is not true. The budget last year was \$330 million, and now it comes in at \$410 million. That is an increase of at least 21 per cent.

There is a farm program with \$50 million set aside to reduce the interest rate on long-term debts, and all farmers in Ontario can take advantage of that. We have announced a program today where they can get advice, a call-in program, so all farmers can take advantage of it—and tobacco farmers are included in that—which is going to be useful.

Again, we have to take a strong look at what we are doing to this community. The ad valorem tax has been taken away at the request of the Flue-Cured Tobacco Growers' Marketing Board so they may be able to get that extra money directly from the manufacturers to the producers rather than coming through the Treasury. I think the general public does not want to see the money coming from the Treasury to support the tobacco industry, but if we can get it out of the products, we may well set an example on how we can get a better return not for only tobacco, but also other farm products.

Mr. McCague: The member does not believe that.

Mr. G. I. Miller: I certainly do. I have lots of faith that the industry is going to survive. I have lots of faith that the tobacco board has been a leader in organizing and marketing its products. They worked closely with the member's former ministry over the last many years. It was that government that brought in the extremely high taxes to trigger the whole situation we are in now. The federal government has again moved in with an increased tax much higher than inflation this year.

I do not think we should be out to destroy an industry; we should be out to control an industry. I think the tobacco producers are only too glad to work along to protect our health. If they see their farms going down the drain, they are going to scrap for them, and that is really what they were doing at the Simcoe fair. They could see that the people were not listening.

One can come in with all different crops, such as asparagus, tomatoes, blueberries or raspberries, and they are all trying to do it. I can name many farms in that business that are in financial trouble today. I will not get into names, but I know they are out there. We have an overproduc-

tion and our tomato plants are closing down in Chatham.

The members opposite cannot name an industry that is going to replace the tobacco industry on that particular land. They are not going to find them. As long as the tobacco is on the shelf, I think we should be supporting the industry. As one member, I intend to do that and I am sure the Minister of Agriculture and Food will treat it in the same way as the other agricultural industries in Ontario.

If the opposition really wants to take a stand on it, it should vote against the bill and put these people out of business; then the opposition can take the responsibility. It will not be me as a member for my area because I am going to fight for them.

Mr. Harris: The member is voting to increase taxes.

Mr. G. I. Miller: That is for a specific purpose. We have removed the ad valorem tax. At least it now has to be done before the Legislature; it is not done automatically. The money is going to be put back into an area—

Mr. McCague: You are the government over there.

Mr. G. I. Miller: We certainly are and we will accept the responsibility.

Mr. McCague: Why do you not do something?

Mr. G. I. Miller: I have just indicated the money that has been put into it.

The Acting Speaker: Order.

Mr. G. I. Miller: It makes me feel good to be able to take part in this debate. I hope the opposition will see that with reasonableness we can protect an industry that could well be shrinking. We should not be importing it. We should be producing it here and not destroying communities, homes and the foundation of our whole society.

Mr. Guindon: I am pleased to enter into this debate on the tobacco tax bill, which proposes to enact yet another of the tax increases the members opposite did not anticipate making last April.

The Liberal budget does not reduce taxes on tobacco products; yet in 1984 the now Treasurer called for action to reduce taxes on tobacco products. He said the tobacco industry was in a state of emergency. He also said he was concerned about driving tobacco growers out of business. Those were his words. We all know the tobacco industry is having difficulty and we

should be trying to find ways and means to encourage it to find alternatives.

Is a \$6-million transition fund really going to help tobacco producers by ploughing their crops right back into the fields? I do not think so. All the transition fund will do is help tobacco farmers get out of business and out of production. The minister said he was concerned about the loss of seasonal jobs in southwestern Ontario. "We cannot brush these aside," were his words. By not decreasing taxes on tobacco products, is he not shrugging aside this emergency? Is he not ignoring concerns he himself professed to have?

In 1984, the now Treasurer said to the then Minister of Agriculture and Food that he must not allow the next budget to go through without important adjustments downwards to the tobacco tax. Is he not doing just that? Is he not dismissing the effect of high taxes on an important and legitimate industry in Ontario? In 1984, the now Treasurer said he would be looking at an alternative crop.

Through the election campaign, the Liberals promised to spend one per cent of the tobacco tax on development of new products and alternative crops for the tobacco industry. We have not seen any of that. That is another promise that has gone down the drain. It has gone the way of the rest of the Liberal wish list.

Not only does this budget do nothing to help tobacco farmers, but the proposal to have tobacco advertising banned will hurt producers in the long run. What message are tobacco farmers in Ontario getting from the Treasurer, who says one thing when in opposition and quite another in government? They get the message that they should be very worried about their business and very worried about their future.

9:40 p.m.

Mr. Andrewes: I have been out of the precincts of the Legislature, educating myself on the question of tobacco with the aid of the member for Elgin (Mr. McNeil).

I want to say a word or two about the ad valorem tax. The change from an ad valorem tax to a specific tax has been generally well received by the Ontario tobacco industry. It does give it some direction and some stability for the coming year and allows it to do some constructive planning in an industry that certainly is in dire need of that kind of direction.

However, I do want to say a word about ad valorem, because many members here would suggest that ad valorem taxes are evil or punitive and that ad valorem taxes offend democracy. My colleague the member for Dufferin-Simcoe

referred to the somewhat contradictory views that have been expressed by members of the government party on ad valorem tax.

I have listened very carefully to the arguments they have put forward over the years. I have even heard those same arguments in my own riding from some good Tories who have expressed similar concerns about ad valorem taxes and the fact that they have a kind of multiplier effect. However, in listening to the discussion here this evening, I have experienced what I would like to describe as reverse *déjà vu*.

The agricultural community for many years has gone before tariff boards and tariff panels—the member for Kent-Elgin (Mr. McGuigan) will know this very well—and argued about protections for certain agricultural goods from imports, protections that are called duties. For many years we fought hard to convert what were then known as specific duties to ad valorem duties because, as prices and costs rose, the inflation effect eroded the kind of protection that the duty was designed to give a specific agricultural commodity against a lower-priced import, particularly during the harvest season.

You will understand what I am talking about, Mr. Speaker, because you are very familiar with agriculture and you are particularly familiar with the seasonal aspect of agriculture and the impact of low-priced imports on our agricultural commodities in season. The view one might hold on the value of ad valorem as it is applied on a tax or a duty really depends on whose ox is being gored.

Yesterday I was privileged to meet with an individual who represented a nonsmokers' group. It took all my patience and endurance to sit through an hour and a half without chewing on the pacifier that the member for Haldimand-Norfolk and I often find ourselves engaged in. However, I did do that.

What astounded me was the fact that this individual suggested that the change from an ad valorem duty on cigarettes to a specific duty cost the Treasurer \$130 million of forgone revenue. If that is true—and I assume it is true; I do not doubt the spokesman for this group; if it is not true, I hope the Treasurer will correct me—it seems rather picayune that all the government has to offer as a result of forgoing \$130 million in revenue is a \$6-million program of transition that amounts to a hand-holding exercise for those parts of the agricultural community that are hard pressed.

The Treasurer well knows the problems in the tobacco industry, as you do, Mr. Speaker. He knows of the 60-million-pound carryover from

this year's crop. Based on an average price of \$2—that is a fair market price if one traces some of the history of that crop over the past couple of years—that industry is now sitting on \$120-million worth, and the processing side of the industry is sitting on considerably more of that commodity from previous crops.

Here is an industry in trouble. It is experiencing a declining market—a trend that socially and practically has to take place. In experiencing that declining market, the industry faces the fact that there is no other single agricultural commodity that one can grow in those tobacco lands that will ever yield the dollars per acre that tobacco does.

A number of young people have made investments in tobacco farms. They bought those farms in good faith with the expectation of good markets. They paid the land transfer tax, such as it was. They will continue to pay this exorbitant increase the Treasurer has imposed. These young people are now looking for leadership, encouragement and a sign from the government that there may be some hope.

I add those comments to those of my colleagues because they are important, not simply in dealing with a tax in a revenue bill but in dealing with the emotions and the future of young people who have invested a good portion of their lives and are willing to invest the rest of their lives in the agricultural industry.

Mr. Harris: I will be very brief, but I do want to make a couple of comments on this bill. Also, I apologize to the Treasurer for missing out on Bill 48.

Hon. Mr. Nixon: Would the member like to revert?

Mr. Harris: Would the Treasurer like to revert? I have a lot to say about Bill 48.

Hon. Mr. Nixon: Not with this Speaker in the chair.

Mr. Harris: One of the difficulties I have with the Tobacco Tax Act is the ad valorem approach. The industry does not appear to share my concern, so perhaps it is unfounded, but I do not mind putting it on the record and we will see what happens over the next year.

As my colleague just mentioned, the removal of the ad valorem tax has been generally well received by the industry. I suspect that is because, as some have referred to it in this Legislature, the term "ad valorem" has come to be known as something negative. The perception is that ad valorem means the tax always goes up.

9:50 p.m.

What bothers me a little is that I now hear of the sales coming in on cigarettes. The tobacco industry's sales are declining, and there is a surplus of the product, which means more competitiveness and the likelihood of lower prices. As of this week, Rothmans is selling 30 cigarettes for the price of 25.

From what I see of these signs, there is a very real possibility of cigarette prices going down. As I say, I may be wrong. Perhaps I did not hear on the radio yesterday morning of a sale by Rothmans, which is starting to sell its cigarettes at a lower price. If I am wrong, that is fine. However, the perception out there is that there is a surplus of tobacco products, and I suspect that is the case. That generally leads to lower prices.

What we have done by removing the ad valorem tax on tobacco products—even without increasing the tax; if we had just left it—is we have frozen the tax at what could be the highest level in the history of tobacco products. That was not enough, though. We increased the tax as well. Not only are we going to freeze it there, but we are going to hike the tax as well.

I have difficulty when I hear members opposite say what a wonderful bill this is. I admit that I am not from tobacco farm country, and I am not a farming expert. I am registering my concerns as an individual. God bless the tobacco farmers if they are happy with this; that is good enough for me. I will very likely be convinced by the Treasurer's closing arguments to support this bill. However, I do want to get my concerns on the record; perhaps the Treasurer can address those and see how persuasive he can be in convincing me that on balance this is a bill I should support.

I am concerned that there are two products in the province that have some likelihood of declining in value. They are two products out there in the world, Canadian and Ontario markets where I hear on the radio and television and read in the newspapers that there is a surplus and that there is the possibility of declining prices.

It strikes me as very ominous that those are the only two products where this government wants to take off ad valorem taxes. On gasoline, where the predictions are that the prices will go down, ad valorem would be very advantageous—in fact, the tax would go down as prices go down—and on cigarettes, the tax would go down if ad valorem were there. Ad valorem on declining prices is a very advantageous form of taxation for those who are concerned about the industry.

What is going up? I think it is very relevant to say this, because this is one of the two bills that

suggest removing ad valorem is a good thing. What is going up? Housing prices are going up. The real estate market is going up. Did we remove ad valorem from that form of taxation? No. That one is going up; that is more money for the government. That is a bigger grab; so we will leave ad valorem on the land transfer tax.

Incomes also are going up; so we will leave the ad valorem on income. It is very easy to take ad valorem off—well, I do not know how easy it is, but in my own mind it is easy; one pays X dollars for every \$100 one earns, or if one wants to have an escalating scale, one can do that. I am sure ad valorem can be removed.

Hon. Mr. Nixon: Is that the new policy of the Tory party?

Mr. Harris: What I am talking about is the Treasurer's policy here. That seems to be my role this year, or at least for part of it. I accept that role, and I want to point out what I see as the inconsistencies.

For all the other forms of taxation, where everything is going up, ad valorem has been left on. For sales tax, one of the biggest revenue measures the Treasurer has, ad valorem is okay there. Yet on the two products that appear to have a likelihood of going down, ad valorem is removed and the likelihood of lower taxes is removed. In fact, we are now freezing taxes at a potentially very high level.

I have mentioned, and I want to repeat, that even if some think taking this ad valorem off is good, if my predictions are wrong, if cigarette prices are going to carry on going up and if removing the ad valorem will be okay, as the industry thinks, I do not understand why we are increasing taxes at the same time. We see it in the fuel tax bill, we see it in the gasoline tax bill and we see it in this bill. Did the Treasurer hope or think that by removing the ad valorem everybody would think what a wonderful Treasurer we have? He has removed the ad valorem on the wrong products; it is on the ones that are going down. Did he think they would not notice an increase in taxation?

The member for Haldimand-Norfolk spoke in favour of the tobacco farmers, and I respect that. Actually, some of the things he said made some sense to me, although there is nothing in this bill about any transition fund, and I doubt that the Treasurer is now going to start dedicating the taxes he receives. The fund may be a good thing. I am not sure all my colleagues agree with me on that, but I think it may be a good thing. However, it has nothing to do with Bill 49; it is out of general revenue.

When we are talking about this, we are talking about Bill 49, the one that increases taxes. I have difficulty with the member for Haldimand-Norfolk speaking in favour of this wonderful bill and at the same time saying that the higher tax that is going on tobacco is a benefit to the farmers.

I understand what the industry thinks about taking the ad valorem off and that some disagree with me; I understand that part. However, I fail to see why higher taxes on cigarettes are of benefit to a very hard hit part of the agricultural community, the tobacco farmers.

I should not be presuming to speak for them, as others here are much closer to them than I am. However, even though I am from northern Ontario, I want to stick up for them anyway, because I am not sure that some of those over on the other side of the House are sticking up for them for the right reasons. I think they are sticking up for the budgetary practice of the Treasurer rather than for the tobacco farmers.

I hope I have made my point. I know that some who are closer to the tobacco industry than I am disagree with me and will believe that three months from now or six months from now the price of cigarettes will be lower.

I am not proud of it, but this month I am a smoker. There are months when I can call myself a nonsmoker. I do not have the willpower to be able to come to this Legislature and tell members that I am a nonsmoker, because in this month I am back smoking again; so I know how much cigarettes cost on a daily basis.

I hope that three months or six months from now I will not be in the position of finding out on a daily basis what the price of cigarettes is. However, if I am, I will be very interested to see whether the price of cigarettes in Ontario is moving up or down.

10 p.m.

I hope I will not be smoking at that time, but I will still be very interested and I will be going to my corner store. It is Demarco's Confectionery. It is a little store, and I think the Treasurer might be interested in it. It is outside the church on Algonquin Avenue in North Bay. It is a little confectionery store where I buy my tobacco products and other things. We meet there and discuss many items. I get considerable advice there. I want to relay to the Treasurer that those people who sit around the tables at Demarco's Confectionery do not share the same opinion of the budget as those at Earl's garage.

Hon. Mr. Scott: Is Mike still there? Mike Demarco?

Mr. Harris: I missed what the Attorney General (Mr. Scott) said. It used to be a hangout for the Liberals?

Interjection.

Mr. Harris: That is right. It used to be.

Interjection.

Mr. Harris: Exactly. He knows Frank Demarco, all of them. It used to be a Liberal hangout; now it is a Mike Harris hangout.

The Treasurer has not been successful on any of his budget bills so far, but I look forward with anticipation to see whether he can convince me that I should support the Tobacco Tax Amendment Act.

Mr. Brandt: I wanted to take this opportunity to share with the Treasurer about the tobacco tax—

Hon. Mr. Nixon: The member has not read the bill.

Mr. Brandt: Yes, I have. I am delighted to see it did not go up even more, as many other things did in the budget.

I am out of breath. I just ran in the door—

Mr. Andrewes: Do you smoke?

Mr. Brandt: Yes, I am a smoker and I have been trying to quit for some time. The Treasurer in his eagerness to raise more money in this budget has, in spite of all the advice he received from his own constituents, one of the tobacco-growing hearts of this entire province, raised the very tax he criticized so frequently when he was on this side of the House. I find that deplorable. The very fact the Treasurer has done that and has taken that action would indicate to me he has no sensitivity whatever towards the farmers who are under a great deal of pressure and stress these days.

Mr. Newman: See the halo around his head.

Mr. Brandt: I hear the member has finally indicated he is concerned about the same tax. I am sure some of his farmers are concerned about the same thing. I want him to know this tax is going to hurt the very people who should be helped by this government.

We have heard from the Minister of Agriculture and Food on a number of occasions about how desperately he wants to help the farmers of this province. He could have indicated that by sending that message very directly to his colleague the Treasurer. Did he do that? My colleagues know he did not. He is insensitive to the needs of the farmers of this province, and more particularly to the boys at Earl's garage. Those are the boys who gave him the advice that

he should not be raising this tax. He did not take that advice. In my view, that is a deplorable situation.

As I look through the entire budget and as I look at the \$700 million the Treasurer has extracted from the taxpayers of this province and at the increase in the debt of this province, which is going to get completely out of hand with the irresponsible spending of that government, the tobacco tax is only one component of that entire exercise with which we on this side of the House simply cannot put up.

There are many measures in that budget we cannot accept and we will have to vote against them out of a responsible position we are taking to represent the taxpayers of this province. I felt compelled to share some of those remarks with the Treasurer. I rushed here from another appointment because I wanted to tell him how badly I felt about this tax and why we on this side of the House feel it is necessary for him to take, if he would, another look at his budget.

He should take one more look at that budget and, as he has so frequently stated when he sat on this side of the House, look at it in the context of what he can do to help the people of Ontario.

What can he do to help the farmers and tobacco growers in his own riding, the riding that he and his father have represented for so many years? The Treasurer has turned his back on them and abandoned them. It is with a great deal of reluctance I have to say that to the Treasurer, but I wanted to share those comments with him because I know he wanted to hear them.

I rest my case on the basis that once again, as throughout this budget in so many ways, the Treasurer has increased a tax that should not have been altered at a time when he should have been looking at helping the farmers, and the tobacco growers in particular, in a more direct way.

Mr. McGuigan: I rise in this debate because I also have tobacco growers in my riding. While we have a lot of ex-smokers here who are confessing their bad habits and bragging about the fact they now are ex-smokers, I am probably the only one here who can say he is an ex-tobacco grower. My father probably loved his tobacco crop or took more interest in his tobacco crop than any of the many crops he grew. During my early years in farming, I grew 25 or 30 acres of tobacco and I could tell the House a good deal about that industry from the perspective of a grower.

I rise to support this bill and to take a stand on the question of ad valorem. If we look at ad valorem in income tax, sales tax and many other

situations that have been mentioned here, it is pretty well a straight-line projection. We start from a fairly small base and we raise the value or the percentage, which is what "ad valorem" means. As the base moves along on a constant percentage, the tax comes up on a straight-line basis. That is not true with tobacco because we have a very small cost in the actual product. It is only a few cents for the tobacco that goes into a package and yet that package sells on the market for \$2.40 or \$2.50. It is brought up by very expensive production, expensive advertising, expensive packaging and expensive levels of both provincial and federal taxes.

As the base moves along in that situation, it is exponential. Rather than being a straight-line curve, the taxes come up in an exponential way. On that basis, they have always been criticized by this Treasurer and he has taken the bold step of putting on a specific tax, one for which in each budget he presents—and I know he is going to present budgets for many years—he is going to stand up and be subject to criticism from all sides of the House.

Mr. Foulds: Including yours.

Mr. McGuigan: Including mine; including the member for Haldimand-Norfolk. There is a principle involved, that he is prepared to put his budget and himself on the line to be criticized.

Mr. Brandt: To put us in the hole; to put the province in debt—I forgot to mention that.

Mr. Speaker: Order.

Mr. McGuigan: Those statements are too ridiculous to deserve a reply. How can any of the members over there criticize with the debt they left this province in? It is not worth a response.

Mr. Brandt: The best-managed province in the country; that is what you saw when you took over. It will take you about 12 months to get it messed up.

Mr. Speaker: Order. The member completed his speech a short time ago. The member for Kent-Elgin.

Mr. Brandt: I am sorry.

10:10 p.m.

Mr. McGuigan: I want to re-emphasize that we are talking about the principle of this. I support that principle. I can meet any of my tobacco growers and I can defend it. I have talked to tobacco growers and those people are satisfied and pleased that finally we have a Treasurer who is willing to face his audience yearly and defend his position. He is going to do that for many years.

I want to talk about tobacco growers. I know something about tobacco growing and about the alternative crops that can be grown in that soil. The very sad part of the main tobacco-growing district, the Norfolk district, is that while the climate there is very much suited to tobacco growing, it is not suited to the alternative crops that would be high-value crops. I am talking largely of the tender fruit one would grow in Lincoln county or the Niagara Peninsula or along the north shore of Lake Erie.

I might mention that many years ago a pioneer fruit grower in this province, Grant Fox—I am sure the member for Lincoln (Mr. Andrewes) knows that name—established a peach orchard at Normandale, right on the lake. A number of other people tried growing peaches in that area. It failed because they simply do not have the climate to do it.

The other area those people can move into is vegetables. They have the irrigation that goes along with their tobacco and a move into vegetables would be an opportunity for them. But the market is already filled. We are fighting to maintain our position in that market as it is and the market is under very severe pressure. So the opportunities of moving into these other items are very limited.

We do have a new crop development program that is supported by both federal and provincial governments. They are looking at strawberries for one thing. They are trying to develop a strawberry harvester so we could have a strawberry processing industry. We have also done some work in peanuts, which has been mentioned.

All these things are on the edge of our capabilities. They are on the edge of our climatic situation and our cost situation. We wish them a great deal of success, but there does not appear to be any bright spot in that situation.

Over the years, there is going to be a diminution of the acreage in tobacco. We can see that from the fact that around 38 or 40 per cent of the people are smoking now. Just a number of years ago it was well over 50 per cent. The tonnage is going to go down, but not everyone will go out of the industry overnight. The Treasurer has set up a fund to try to help those people go out.

I am going to close because we are running out of time, but I point out there are other agricultural producers who are also in very serious difficulties caused by world overproduction. What has been started here in the matter of the \$6-million fund is only the beginning of what will be

required over the years. It does indicate that for the first time this government, with the \$50-million program brought in by the Minister of Agriculture and Food and by the Treasurer, is concerned and is doing something about it.

Mr. Speaker: Does any other member wish to participate in the debate?

Mr. Cureatz: Thank you very much, Mr. Speaker. By popular demand—

An hon. member: Unpopular demand.

Mr. Cureatz: I still have at least 15 seconds. I thought maybe the member would like to share some thoughts I had with regard to this horrible tax the government is bringing in with regard to tobacco farmers.

I want to tell the Treasurer I do have some tobacco farmers in my riding and I do not like what is taking place with regard to the raising of this tax money because I am worried that the Attorney General, who just came in and sat beside the Treasurer, is frantically trying to think of all kinds of ways to fund the legal aid plan. I have yet to hear from the leader of the third party how he thinks the legal aid plan should be funded. The Attorney General has this great scheme to charge every lawyer in the province for the legal aid plan.

Mr. Speaker: Order. I believe there was agreement by all members of the House previously for—

Mr. Cureatz: I move the adjournment of the debate.

On motion by Mr. Cureatz, the debate was adjourned.

10:25 p.m.

LAND TRANSFER TAX AMENDMENT ACT (continued)

The House divided on Hon. Mr. Nixon's motion for second reading of Bill 48, which was agreed to on the following vote:

Ayes

Allen, Bossy, Bradley, Bryden, Callahan, Caplan, Charlton, Conway, Cooke, D. R., Cooke, D. S., Cordiano, Curling, Elston, Epp, Ferraro, Fontaine, Foulds, Fulton, Gigantes, Grande, Grandmaitre, Grier, Haggerty, Hayes, Henderson, Kerrio, Keyes, Knight, Kwinter, Laughren, Lupusella;

Mackenzie, Mancini, Martel, McClellan, McGuigan, McKessock, Miller, G. I., Morin, Morin-Strom, Munro, Newman, Nixon, Offer, O'Neil, Poirier, Polsinelli, Pouliot, Rae, Ramsay, Reville, Reyecraft, Riddell, Ruprecht, Scott, Smith, D. W., Smith, E. J., Sorbara, South, Swart, Sweeney, Van Horne, Ward, Warner, Wildman, Wrye.

Nays

Andrewes, Ashe, Barlow, Brandt, Cureatz, Davis, Dean, Eves, Gillies, Gordon, Gregory, Guindon, Harris, Jackson, Lane, Leluk, Marland, McCague, McFadden, McNeil, Miller, F. S., O'Connor, Partington, Pollock, Rowe, Shymko, Stevenson, K. R., Treleaven, Ville-neuve.

Ayes 66; nays 29.

Bill ordered for committee of the whole House.

The House adjourned at 10:30 p.m.

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Ontario

No. 43

Hansard

Official Report of Debates

Legislative Assembly of Ontario

First Session, 33rd Parliament

Friday, November 8, 1985

Speaker: Honourable H. A. Edighoffer

Clerk of the House: R. G. Lewis, QC



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LEGISLATIVE ASSEMBLY OF ONTARIO

Friday, November 8, 1985

The House met at 10 a.m.

Prayers.

REMEMBRANCE DAY

Mr. Gregory: I would like to draw the attention of the House to the fact that this coming Monday, November 11, is Remembrance Day. This year, as much as any other, we have reason to pause and remember the sacrifice of the men and women of our armed forces who fought for the ideals of liberty and freedom and to preserve peace in the world.

We have inherited from them a very great trust. Because of their dedication, we have the opportunity to make the most of our potential to build thriving, caring communities and the freedom to speak out on the issues that move us.

This year marks the 60th anniversary of the Royal Canadian Legion. The legion has not only spoken out forcefully for the needs of veterans, but it is an active member of the community, working for the benefit of our young people and the elderly through many projects. If ever we need an example of the devotion of our veterans and our armed services personnel in encouraging the best from the Canadian character, we need only look to the legion.

All Canadians owe our veterans much. I ask your permission, Mr. Speaker, to request the House to join with me and my caucus in observing a minute's silence in remembrance of their efforts.

Hon. Mr. Scott: I join the member for Mississauga East in asking the House to recognize once again, as we do annually, the important contribution that men and women made to freedom and democracy in this country in two major world wars. Their contribution is unknown to people of the next generation, who read of it only in history books; to people of my age and older, it is a real contribution that is recognized in the actual names of relations, friends and members of our community who fell and made those great sacrifices.

As well, I am sure all members of the government are delighted to join with the member for Mississauga East in congratulating the Royal Canadian Legion on its anniversary.

Mr. Breagh: We would like to join in this brief commemoration for a number of people who have made the ultimate sacrifice. This weekend will be unusual for many of our veterans because it will be a happy and sad occasion. Many of us will attend dinners where people who fought in two great wars and the Korean conflict join together to remember the good times and the horror of war. They will do so with some mixed feelings.

There will be some celebration in meeting people they have not seen for some time and of reviewing old stories of what happens when people are caught in this kind of terrible conflict. Then on Monday many of us will gather at memorials and cenotaphs around the province and a moment of great sadness will fall on the province. People will remember, however briefly, what that conflict was all about and what kind of price people had to pay.

I want to mention in passing that many of us are interested and somewhat concerned that younger people, a whole generation, have had the chance to grow up in this country without really knowing the horrors of war. For most of them, no one from their family has suffered all the consequences of what is a war. We know the members of the legion are very much engaged in trying to bring that message to our young people. This House would do itself an honour in honouring this request for a moment's silence this morning.

We believe it is an important occasion that should be remembered, one that should not be forgotten. No matter how long we go on in a spirit of peace and co-operation, there is always the haunting memory that we have failed, that there have been wars and that the horror of war is still with us in this world. We will remember that in joy and sorrow over the weekend and on Monday morning at the cenotaphs.

The House observed one minute's silence.

POLISH INDEPENDENCE DAY

Hon. Mr. Ruprecht: In the gallery this morning are distinguished representatives of the Canadian Polish Congress who will participate in the Independence Day signing ceremony: George Burski, president of the Toronto district,

Stan Sadowski, vice-president, and Mrs. Hanna Blajer, executive vice-president.

November 11 is of special significance to all of us who honour those who laid down their lives for us so that we can aspire to the ideals of freedom and democracy. For many Canadians, especially those of Polish heritage, that day has added significance. Polish Canadians will celebrate Independence Day.

For us, November 11 means freedom for a nation from the yoke of oppressors. It means the right of self-determination where a whole people can participate in structuring its own future. Polish Canadians who still seek these ideals for the land of their fathers will celebrate Independence Day, and the Premier (Mr. Peterson) and this government will mark this event with a special Independence Day proclamation, which reads:

"Whereas the province of Ontario and, indeed, all of Canada have developed and grown through the courage and industry of people of many nationalities who have come to this land in search of freedom and opportunity;

"Whereas we are especially grateful for the many important contributions that our citizens of Polish ancestry have continued to make to our province and country since they first arrived here in the 1830s;

"Whereas a free, reunited and independent Polish state was re-established 67 years ago on November 11, 1918;

"Whereas it is imperative for Canadians to remember that the price of our precious freedom is eternal vigilance, and

"Whereas the observance of the anniversary fosters within us a deeper appreciation of freedom, liberty and democratic ideals:

"Therefore, as Premier of the province of Ontario, I am pleased to recognize November 11, 1985, as Polish Independence Day and commend its observance to the people of our province."

It is signed by the Honourable David Peterson, Premier of Ontario.

10:10 a.m.

Mr. Shymko: I join my colleague the member for Parkdale (Mr. Ruprecht) in his remarks by congratulating the Premier for continuing the tradition of former Premier William Davis and the former Premier, the member for Muskoka (Mr. F. S. Miller), in the resolution that was unanimously passed on November 15, 1984, in the last parliament, which I had the privilege of introducing as a private member, because of the significance we see today of that resolution.

November 11, when peace was heralded throughout the world, was for many people the beginning of a struggle for independence. On that same day, the Polish nation declared independence. For three years they fought and for 20 years they cherished that independence until the onslaught of the allied invasion of two of the most hideous partners in crimes against humanity, namely, Soviet Russia and Nazi Germany, in 1939, which heralded the holocaust of the Second World War.

As a result of that, we are reminded by this anniversary that peace cannot be based on the principle that might is right. Peace cannot be established on the principle that to the victor go all the spoils, that the winner takes all. This happened in 1945 when some of these war criminals against humanity were tried in Nuremberg, but others continue to reign on the principle of the law of force and not the force of law we understand today.

We are reminded by this anniversary of Polish independence that peace cannot be based on oppression and slavery. Our hope for genuine peace must be based on the principles of justice, freedom and liberty for mankind and for nations.

With your permission, Mr. Speaker, in greeting Mr. Burski, the president, Mrs. Blajer, the executive vice-president, and Mr. Sadowski, the vice-president, I would like to say a few words in Polish.

[Translation]

On the occasion of the commemoration of the 67th anniversary of the independence of Poland on November 11, Poles and similarly oppressed people who continue today to suffer tragedy in eastern Europe hold the painful memory of how quickly independence and freedom can be set aside by the use of force, how quickly a nation can be ravaged and crushed by overwhelming repression.

As Polish Canadians, you are to be congratulated for your faithful observance of Polish independence. By doing this, you not only keep alive the spirit of a free Poland but you also strengthen the resolve of all Canadians to assure the nation we cherish will continue free and united around the ideals of human dignity, justice, tolerance and liberty for all men and all nations.

Long live a free and independent Poland.

[End of translation]

May we share with all men the hope that some day the Polish people will indeed be free and join the family of nations as an independent state.

Mr. Rae: The member for High Park-Swansea (Mr. Shymko) sets a high standard that I am afraid I will not be able to reach.

I do want to acknowledge the presence in the House of my good friend of many years, Senator Haidasz, and members of the Polish community and to say how pleased I am on behalf of our party to say a few words on this occasion.

The cause of Polish independence goes back not 50 or 100 years but many centuries. The Polish nation has struggled perhaps more clearly and with greater valour, greater valiance, than many other nations in the world to express itself, to have borders that are recognized by other countries, to have parliamentary and democratic institutions that reflect the fullness and richness of its national life.

I believe it is one of the great tragedies of this century and indeed of modern history that no nation has found it more difficult to have its borders, its national life and its institutions respected by the powers that have existed at one time to its south, to its east and to its west.

It is fair to say that there are literally millions of Canadians who have strong ties through family, history and culture to the Polish community. We in our party are very proud of those members of the Polish community who have maintained the social democratic tradition in their own country and who have brought that tradition with them to this country.

It is with a great sense of pride that on behalf of my party I join with the member for Parkdale, the member for High Park-Swansea and with members of all parties in expressing our solidarity, our *solidarnosc*, with the Polish people in their struggle for independence and democracy, a struggle which continues to this day.

STATEMENTS BY THE MINISTRY

DRINKING AND DRIVING

Hon. Mr. Scott: I would like to announce major initiatives the government will be taking to further address the problem of drinking and driving.

This issue has properly received a great deal of attention in recent months. Although deaths and injuries related to drinking and driving have decreased gradually over the years, alcohol still plays a contributory role in 50 per cent of all fatal traffic accidents and 30 per cent of all personal injury accidents. In 1984, more than 550 persons were killed and 27,000 persons were injured in Ontario accidents where alcohol was a factor. It is estimated that these accidents cost the people of the province more than \$200 million.

As distressing as these statistics are, they pale beside the suffering they represent for thousands of families. We owe it to those victims and to those who could become victims in the future to make certain that no avenue is unexplored in our efforts to reduce drinking and driving.

Major gains have been made in the last few years in heightening public concern on this issue. Local drinking-driving countermeasures committees have been established in many communities across Ontario. Citizens' associations, businesses, police forces, nonprofit organizations, the media and many other groups have devoted their energies to reducing the needless tragedy.

My ministry has participated in this task both at the community level and through province-wide programs. Staff in the drinking-driving countermeasures office have visited communities in every region to support and encourage local activities. The ministry has developed a wide range of materials and public education campaigns to reinforce those community efforts. These have included a dramatic film which tells the story of drinking and driving from the victim's point of view and a major window decal campaign for automobiles in co-operation with youth-oriented radio stations.

All of these efforts together have begun to achieve the type of results that can give us hope. Between 1981 and 1984, alcohol involvement in fatally injured drivers declined by approximately 10 per cent. Even more significant, a study carried out for the ministry this year showed a dramatic reduction in alcohol-related driver fatalities during the past two winter holiday seasons—from a 10-year average of just over 30 deaths to a figure close to 12.

These figures give us every reason to intensify our efforts. I feel strongly that we must clearly signal to those who might drink and drive that they risk losing the privilege of driving for substantial periods of time.

Today I am announcing the government's intention to establish a one-year automatic suspension for a first drinking-driving conviction and a two-year suspension for a second conviction. These suspensions are four times as long as those currently provided for in the law. In addition, the Minister of Transportation and Communications (Mr. Fulton) will be announcing several important initiatives related to chronic offenders, driver licensing and the offence of driving while prohibited or suspended.

10:20 a.m.

Members will no doubt be aware of the recent decision of the Ontario Court of Appeal which

substantially increased the jail term in a drinking and driving related offence. Of particular interest to members are the remarks of Chief Justice MacKinnon, in which he stated:

"In my view, the sentences for the so-called lesser offences in this field should be increased. The variations in the penalties imposed for drinking and driving are great, and increasing sentences for offences at the 'lower end' would emphasize that it is the conduct of the accused, not just the consequences, that is the criminality punished."

Mr. Justice MacKinnon also says, "The sentence should be such as to make it very much less attractive for the drinker to get behind the wheel after drinking."

A directive has already gone out from the ministry to all crown attorneys apprising them of these comments. The directive states:

"It is important that we heed this very important signal from the Court of Appeal and make submissions to the provincial courts for substantially increased penalties for 'routine' impaired drivers. Not only should we strive for substantially increased fine levels, but we should also seek incarceration in a significant number of first offences."

I am confident these measures we are taking provide a strong incentive for persons to re-evaluate their driving habits and the risks they may be taking with their own lives and those of others. These measures will reinforce the concept that a driving licence is a privilege which should not be abused. They will also enhance the impact of police enforcement activities and strengthen the resolve of all the individuals and organizations working so hard to reduce drinking and driving.

As important as these initiatives are, I want to emphasize that they are only part of the program we expect to mount in the coming months. While legal sanctions are important, they need to be supported by continuous educational and awareness activities if they are to have the maximum impact. I will be announcing further measures in this area shortly.

I am sure all honourable members will support these efforts to reduce the tragedy. I also feel they will want to join with me in acknowledging the debt we owe to private persons and organizations who have spoken out in the past and who have persisted until they have been heard in every corner of the province and country. In that connection, I would like to note particularly the presence in the members' gallery of John Bates of PRIDE, People to Reduce Impaired Driving

Everywhere, who has made a significant contribution.

I am confident the ongoing commitment being made to this issue will be seen in the future as a significant social achievement in this decade.

Hon. Mr. Fulton: Further to the Attorney General's remarks, I would like to inform the honourable members of my ministry's efforts to support his fight against drinking and driving.

Members will recall that I recently stood before this House to outline our plans for implementing a program that will put photographs on Ontario drivers' licences. One of the key aims of this initiative is to make it easier to apprehend suspended drivers who continue to drive with someone else's licence.

Now we are prepared to go even further. We are prepared to impose longer suspensions on drivers convicted of driving while prohibited or suspended for criminal offences, particularly those related to alcohol use.

We propose to create a one-year suspension for a first conviction under the recently introduced Criminal Code offence of driving while prohibited or suspended. A second or subsequent conviction on the same charge would carry a two-year suspension.

These new suspensions reflect the fact that Criminal Code offences amount to the most serious threat against the safety of other motorists. Not surprisingly, nearly 95 per cent of those convictions involve alcohol.

Last year alone, close to 50,000 Criminal Code suspensions were ordered in Ontario. Of those, approximately one third were repeat offenders. These are drivers who should not be on the road, at least until they have had adequate time to consider the seriousness of their offences. The longer suspensions will also give them an opportunity to seek treatment, while at the same time removing a potential source of danger from our highways.

We are also prepared to deal seriously with the chronic drinking driver. We propose to develop a new program aimed at drivers whose history suggests a problem with alcohol or any other pattern of behaviour which poses a serious risk to others on the road. These drivers will be subject to suspension for an indefinite period. Reinstatement would be conditional on several factors, including medical evidence that the individual had overcome his or her problem.

Both the initiatives I have just described are designed to get convicted lawbreakers off the road, but it is also essential that we expand our

efforts to educate new drivers about the dangers of drinking and driving.

We intend, as a first step, to increase substantially the information on this subject in the Ontario driver's handbook and the written driver's examination, thereby reinforcing the message that alcohol and motor vehicles are a deadly combination. We will be working with the Attorney General's office to develop other means of ensuring that new drivers and those seeking reinstatement following a suspension are fully aware of the human consequences of impaired driving.

These are a few of the actions we are prepared to take to counter the hazard posed by drinking drivers. I am confident they will be a strong first step in this government's commitment to make our roads safer for all our citizens.

ASSESSMENT AMENDMENT LEGISLATION

Hon. Mr. Nixon: Later today I will introduce for first reading An Act to amend the Assessment Act.

The members will be familiar with the purpose of this bill since it has been introduced each year since 1970. As the act stands, if the amendment is not passed, the Ministry of Revenue will be obliged to impose full market value assessment in all municipalities in 1986. In the past, it has been a source of considerable frustration to members because they had no option but to approve it in the absence of more substantive reforms to municipal assessment systems.

On the positive side, the bill will allow us to continue with the market-value-based reassessment program, which has been successfully implemented in 449 municipalities to date. Approximately 25 more municipalities have requested tax impact studies so they can consider the consequences of implementation of the section 63 reassessment program in their municipalities for 1986 taxation. In addition, another 19 municipalities previously reassessed under this program have requested an update to their market value base.

This government is also committed to resolving certain matters affecting assessment, and it is my belief that the procedures can be improved and simplified. In this connection, I want to make two points today which may be of interest to the members.

First, when I assumed my position as Minister of Revenue, I asked my parliamentary assistant, the member for Waterloo North (Mr. Epp), to undertake a review of the assessment program

with a view to identifying practical ways in which long-standing questions could be resolved to the satisfaction of municipalities and local taxpayers. I am pleased to table his report for consideration by the members and all interested parties. Copies will be delivered directly to all members as well as to all municipalities and many other interested parties.

David Goyette took a leading role in the consultation, development and writing of this report, and we are grateful to him for his service.

Since the report deals with many issues for which the members will require time for consideration, I shall return to this matter when the estimates of the Ministry of Revenue are considered in this House. I understand they are scheduled to begin on Monday, November 18.

Second, on July 10, 1985, I made a statement in the Legislature with respect to the Ontario Municipal Board decision of June 26 concerning the assessment of 48 Russell Street in the city of Toronto. At that time, I stated that a review of the broad ramifications of this decision would be undertaken and that, based on that review, I would decide whether to proceed with the application for leave to appeal.

The report and recommendations of the member for Waterloo North deal extensively with the assessment of renovations and improvements. I am confident this report, and the discussion and amendments to the Assessment Act that will result from it, will resolve many of the issues that are under consideration in the decision on 48 Russell Street.

10:30 a.m.

I am convinced that the position taken by my ministry before the Ontario Municipal Board was correct with regard to the provisions of the existing legislation. In the light of the changes that will occur with respect to the assessment of renovations and improvements of this report, and with the co-operation of right-thinking members of the House, I do not consider it appropriate to require the individual ratepayer in this case to assume the additional burden of legal costs that he must incur if the test case on the interpretation of the existing legislation at 48 Russell Street is to proceed. I am therefore instructing counsel to withdraw the application for leave to appeal.

ORAL QUESTIONS

REMOVAL OF WINES

Mr. Andrewes: My question is to the Minister of Consumer and Commercial Relations with respect to his statement yesterday on wines.

The minister implied in his statement that testing of products sold by the Liquor Control Board of Ontario could be completed over the weekend. In a subsequent press interview, the chairman of the LCBO suggested testing could go on much longer than that.

For the sake of consumers and many people in this province who are employed in the grape and wine industry, can the minister say what steps he will take to press the LCBO to have these tests completed by Tuesday morning, before the stores open, so any doubt about the safety of those products can be erased?

Hon. Mr. Kwinter: The testing that will go on this weekend will be directed to those targeted suspect products. In the LCBO we have 2,500 products, many of which have no history of having this substance. The testing will go on immediately. I was in communication with the chairman of the LCBO; he is investigating the securing of very sophisticated equipment, and it will be done with the greatest dispatch possible.

Mr. Andrewes: At that press conference, the minister also said the judicial inquiry, upon completion, will suggest what the inquiry determines to be a safe level for ethyl carbamate. Since ethyl carbamate is found in other, nonalcoholic substances, will the minister tell us whether he will be initiating tests on food products other than those products sold by LCBO stores? Will those results be made public as soon as they are available?

Hon. Mr. Kwinter: My officials have been in communication with the Minister of National Health and Welfare in Ottawa; that is in his jurisdiction. He made a statement today that his department will be looking into all food products that are suspect and will be conducting tests.

Mr. Andrewes: On the Canadian Broadcasting Corp. program *Metro Morning*, the minister suggested today that it appeared neither the deputy minister nor the minister of the day was aware of the problem. It appears that the information was cooped up within the LCBO and that even the chairman of the LCBO was not aware of this information. Can the minister confirm those statements for us in the House today?

Hon. Mr. Kwinter: All I can report to the honourable member is what I knew after 10 a.m. on Wednesday. What happened prior to that will be the subject of the judicial inquiry.

ACCESS TO MINISTERS

Mr. Grossman: I have a question of the Premier on the one subject he is not consistently

good, friendly and casual about: Liberal fund-raising. We have discussed fund-raising in this Legislature before. It was the Premier himself who often pointed out, and I quote almost directly—the Minister of Education (Mr. Conway) should let the Premier listen; I will wait until the minister has finished talking to him.

It was the Premier himself—the Minister of Education should be a ventriloquist.

Mr. Speaker: Order. The member said, "My question is," and I am sure we are getting to that.

Mr. Grossman: When he was Leader of the Opposition, the Premier often reminded everyone in this House that it is often the perception that counts in matters such as fund-raising. Those are his own words. I ask him to comment on the clear blurring between his role as leader of the Ontario Liberal Party and his responsibility as Premier. Does he not agree that when a Liberal fund-raising letter goes out, enclosing a memo from the Premier of Ontario to the president of the Ontario Liberal Party—

Some hon. members: Question.

Mr. Grossman: My friends should not get nervous. Does the Premier not agree that this is clear evidence in letters that go out raising money that he is intentionally blurring the distinction between those two responsibilities?

Hon. Mr. Peterson: I welcome the honourable member back to the House. I know he is back to try to shore up his flagging campaign, and we all wish him well from this side of the House.

That having been said, I do not agree with the member that there is that kind of blurring. Perhaps he is referring to some of his own conduct; for example, promising to reveal the donations to his leadership campaign the last time but then refusing to make those figures public. Perhaps he is referring to the fact that I am told the leader of his party has \$300,000 that has not been declared or that no one knows who is contributing.

If the member feels that way, why does he not come to this House and tell us who contributed to this leadership campaign and his last one? Maybe he can help us out.

Mr. Grossman: I will undertake this morning to release that entire list to this House the next time I am here, sitting over there, on condition—

An hon. member: When will that be?

Mr. Grossman: I will tell my friend when that will be. I will release that list the very day the Premier agrees to release the list of everyone who got a copy of a memo from the Premier of

Ontario, asking them to donate money to the Liberal Economic Advisory Forum.

Mr. Foulds: It is the same group.

Mr. Grossman: I will wait until the other coach finishes.

Mr. Breaugh: They belong to the 500 Club.

Mr. Grossman: This is like Claire Alexander and John Brophy; they keep changing the assistant coach here.

Mr. Speaker: By way of supplementary, please.

Mr. Grossman: Is he willing to release the list of everyone who got a copy of a memo from the Premier of Ontario on the day I release the list of those who have donated to my campaign?

Hon. Mr. Peterson: I have no idea how many got copies, but obviously hundreds were on that list—

Mr. Grossman: Will the Premier release the list?

Hon. Mr. Peterson: I am not going to give him our mailing list, but let me say what I will do—

Mr. Grossman: The answer is no.

Hon. Mr. Peterson: No. Information concerning every single penny this party raised will be shared and open to scrutiny. My friend will find that a lot of people who used to support him are now coming to us since we have such a fine government. They are impressed with the kind of government we are running; it is open and accountable. They do not come to us for favours.

Many of them come to me. It is interesting; someone came to me the other day and said after some conversation with the Treasurer (Mr. Nixon): "I really like that Treasurer you have. We come to him, and he does not ask for anything. He puts it straight on the table. We really like the kind of approach to government you people have." That is indicated in the support that is forthcoming, and I am delighted to have that support, from a wide cross-section right across our country.

Perhaps the member has specific ideas on election expenses reform. I know he has had troubles in the past. He has been one of the highest spenders, he and Gordon Walker. We know the member has been embarrassed about that in the past. However, if the member has ideas on how we can reform the Election Finances Reform Act, I will be delighted to participate in that because the Treasurer is working on that.

Mr. Martel: What about the Attorney General? He was no piker at \$115,000.

Mr. Davis: How is the Attorney General spending it?

Mr. Speaker: Order.

10:40 a.m.

Hon. Mr. Peterson: I think the member personally has a tough time standing up in this House when he violated his own rules about letting it go public—

Mr. Speaker: Order.

Mr. Rae: I hope those two do publish their lists because then it will become clear it is the same people on both lists. That will be of great interest to the entire public.

I would like to ask the Premier about this disaster called LEAF that he has launched, which all of us would agree is a terrible political mistake and leaves a terrible impression about how government intends to act and to raise money.

Will the Premier not now simply announce that LEAF is being disbanded, that there is going to be no exclusive economic forum which depends on whether people contribute to the Liberal Party, and that the Treasurer will not be having special meetings with people who are there simply because they have given \$1,000 to the Liberal Party? Will he not simply disband that group, admit it was a mistake and kiss that mistake goodbye? There is nothing wrong with admitting a mistake; we have all made them. Some of us have made them more often than others. Why does he not do that here today?

Hon. Mr. Peterson: The honourable member knows a number of fund-raising techniques are employed by various parties. I stand before him confidently when I say there is no suggestion that anyone has any special influence with this government.

However, let me respond with respect to the perception. The member will be aware his party raised the cynicism of some by sending out a "taxation notice" to everybody in the province. An important letter arrives saying "taxation notice," and when one opens it, it is the New Democratic Party asking for funds. One had the impression the Department of National Revenue would descend wholesale on anyone who did not contribute to the NDP.

The member may have the view that created a misperception in the public. Perhaps we have to put the best minds of this House together to avoid that kind of perception. If he has ideas, I would be delighted if he would participate. We do need election expenses reform to avoid that kind of

perception. However, I can assure the member nothing like that exists in this government.

Mr. Grossman: The Premier can give all the long, blurring speeches he wishes, but the question we are driving at is a blurring of the distinction between the Premier's office and Liberal fund-raising. His response to the leader of the NDP criticized the NDP for raising funds for political purposes. They made it clear it was for their party. His response to us talked about moneys raised for our leadership campaign by people raising money on our leadership stationery.

The point of the questions this morning, which I want to come back to, is the blurring of the distinction that comes when one uses a letterhead from the Premier of Ontario, not from Don Smith, and when the memorandum from the Premier to the Ontario Liberal Party does not say, "I want to raise money, Don," but says, "I want to hear what key Ontario business leaders have to say." It does not say, "Don, let us raise money by inviting people to meet us if they pay some money." It says, "I want to hear what key Ontario business leaders have to say." That was the whole point of the memo.

Mr. Speaker: Is the question, "Do you agree?"

Mr. Grossman: My question to the Premier is very clear: Does he not now agree that it would be appropriate to stand up like a man in this House and say that those words and this memo were inappropriately found in Don Smith's memo to his mailing list?

Hon. Mr. Peterson: In this party, we do like to hear what business has to say. Interestingly, yesterday morning the Treasurer, the Attorney General (Mr. Scott) and I met with the Ontario Business Advisory Council. There were 75 senior executives of businesses in this province and they were very helpful to us in giving us their advice. We all had an interesting breakfast yesterday and they very much enjoyed the straightforward, thoughtful Treasurer we now have in this province.

With respect to the member's question, he should have been here a couple of months ago when this was first raised. We did say if there was an untoward suggestion in that, the second letter completely cleared up any misperceptions someone with a devious mind like the member's might read into a suggestion like that.

I guess it depends on the approach one has. With a wholesome approach, a person would not have the kind of cynicism the member has manifested in this case. The people who support

us do not suspect anything backhand, but this may be different from his perception of the kind of role they have.

Mr. Gregory: They expect nothing and that is what they are going to get.

Hon. Mr. Peterson: When the member has the kind of accusations that have been made against his campaign, about bartering off federal appointments in order to support him, those are the kinds of things that do create cynicism. I think he may want to look at his own house before he starts casting aspersions.

Interjections.

Mr. Speaker: Order.

ST. CLAIR RIVER

Mr. Rae: My question is to the Minister of the Environment (Mr. Bradley). It concerns the St. Clair River cleanup. I am referring to the cleanup not only of the river basin but also to the cleanup in his ministry.

I would like to ask the minister to explain how his Sarnia staff, in discussing the situation with my researcher on Tuesday, made the categorical statement that they could not understand all the fuss about the possibility of liquid waste leaking from the deep wells because there had never been hazardous waste go into the deep wells. The only evidence was of brine.

How could they have conceivably made that statement when I have here an October 1983 study for Environment Canada which starts with the clear statement that, "The use of deep-injection wells for the disposal of liquid industrial waste was common in southwestern Ontario from 1958 to 1975"? There were 16 wells used. Over 2.3 billion gallons of liquid industrial waste was disposed of during the 17-year period.

How could they have made that statement on Tuesday and how can the minister sit in this House, day after day, saying he has the situation in hand when the people in charge of the situation in Sarnia are spreading this kind of misinformation with respect to what is going on down in that area?

Hon. Mr. Bradley: I will tell the leader of the third party that I am in charge of this situation, not anyone else. I am the person who must ultimately answer in the House. I am the person who will give the direction from the top as to what will be going on. Ministry officials who are in my office are making decisions in this regard and assisting. I cannot verify or not verify what the leader of the third party has to say about what anyone in the field happened to say, but he will

not get an answer from me in this House that indeed that is the case.

I am well aware of what is in those wells. I have expressed in this House very clearly my concern about the possibility that the pressure wells might be finding fissures under the river and that substances might be coming up under the river. I have always included that as one of the possibilities. So I say to the member I am fully aware of that.

If that information is provided to him, I cannot verify it, but I can tell the member in the House that the materials in there, and I could list them for some time but the Speaker likely would not let me, are wastes that would concern anyone. The member and I both know what those materials are.

10:50 a.m.

Mr. Rae: The minister is responsible in this House for his ministry. I say to him there is not just one cleanup that has to take place; there are two. There is a cleanup at the bottom of the river, a cleanup of the wells in the cavern, and there is a cleanup of the ministry itself. I hope the minister understands that because it is becoming very clear to the rest of Ontario that is part of the problem and it is a part the minister has to solve. That is his responsibility and his responsibility to this House.

A criminal investigation has been under way for a year. It is an ongoing investigation which I understand is still under way as of this day. Would the minister explain how the public can have confidence in the statements and judgement calls that are being made every day by his ministry staff when those same people are under constant surveillance and investigation by the Ontario Provincial Police?

In the name of the administration of the Environmental Protection Act and of protecting people whose health and welfare depends on their confidence in the ministry and in government, why have those people not at least been moved from the Sarnia office to some other location while that investigation is under way?

Hon. Mr. Bradley: Both as an individual in this House and as a minister, I am not prepared to declare someone guilty when at this time no charges have been laid. It would seem to me that moving any individual out of any office, especially when there is a discussion of OPP investigations, would clearly indicate I was passing judgement very quickly and being the judge and jury in this case.

I assure the member, as I have in the past, that I as the minister am giving the overall direction in

this case. Top ministry officials, including the relevant assistant deputy ministers, are involved in the operations that are going on down there. The London office is involved, as well as the head office in the area; there are a number of people involved. I am aware of what is going on and I am giving direction.

I know the member is not always going to be pleased with the answers he may receive from individuals. I am not always pleased with the answers, but I assure the member that this minister is fully aware of what is going on, is giving the appropriate direction and taking the action which will result in a cleanup of this area. As I have already indicated to the member, we are expanding our efforts in that office and making the necessary changes on an ongoing basis.

Mr. Brandt: I am pleased to hear the minister say he is in charge; we now have identified for the first time who is the Alexander Haig in the Liberal Party and I am pleased to hear that.

The leader of the third party has raised some concerns with respect to the staff in the Sarnia area. Also, for the last number of days he has been developing a level of panic that the minister should be concerned about with respect to this whole issue.

Yesterday, in the federal House, as the minister will know, his federal counterpart indicated it was a matter for concern; it was a matter for some very sensitive application of the technology to correct the problem, but it was not a matter for panic.

Since this issue has developed to such a high level of interest, would the minister at the earliest opportunity indicate when the all-clear signal is back with respect to the environmental status of that area? As well, would he remove, as I have asked him to do on so many occasions, this web of concern that is being wrapped around the very capable and responsible staff that represents his ministry in that area? If there are guilty parties—

Mr. Speaker: Order. The member has already asked at least two or three questions.

Hon. Mr. Bradley: First, I will answer the comment about Alexander Haig by saying it is unfortunate there was not an Alexander Haig in charge of that area for the last 25 years.

I would not have said that if the member had not provoked me, Mr. Speaker.

In terms of the all-clear signal that the member wants to give, I cannot give such a signal until I am satisfied that all of the materials there have been cleaned up, there is no potential threat to any drinking water or recreational water, and

until such time as I am satisfied that any potential contributors to the pollution of that area have ceased their pollution. At that time, I can give the all-clear signal.

While I am not sending out signals of alarm, I am sending out signals of concern. The evidence forthcoming each day as we do our investigation confirms there is a need for concern. That is why, over the last several days, I have taken the action I decided to take.

Mr. Rae: If the minister is in charge, if he is the person making all the decisions and he has a complete handle on his ministry, I would like to ask him a simple, straightforward question. Can the minister stand up in this House today and tell us he has complete confidence in the judgement that has been exercised by his staff, particularly his ministry staff in the Sarnia office? Does he have complete confidence in those individuals? Is he satisfied with the information they have passed on to him and to the public? If he is not satisfied, what does he intend to do about it?

Hon. Mr. Bradley: I am confident and satisfied with the information I have available through various sources, including my ministry staff in that area. I feel the appropriate action is being taken at my direction. Down the line, even the leader of the third party will recognize that the activities my ministry has undertaken in this area will be positive and will bring about the results I discussed earlier in this House.

FREE TRADE

Mr. Rae: I have a question for the Premier with respect to free trade. The Premier will be aware of the report of the select committee on economic affairs and the division of opinion on that committee. He will be aware of the discussions that have taken place in Ottawa and the statements that have been made not only in the House but also in certain reports which have been leaked to Maclean's magazine and other publications with respect to what is going to be on the table in negotiations and what is not.

It seems very clear from what has been said in Ottawa by Secretary of State for External Affairs Mr. Clark that cultural institutions are going to be on the table and will be part of the discussions. The members on the select committee have said the Premier can veto what is going to happen in these discussions. I would like to know what the Premier is doing to ensure that cultural institutions will not be negotiated away at the bargaining table by our federal negotiators.

Hon. Mr. Peterson: At present the apparatus has not been assembled as to how to approach

those talks if they do develop. It is very hard to answer the question in the absence of more knowledge or direction from the federal government, which has carriage of this matter.

I have not been at all happy with the way this thing has developed in Ottawa. There should have been far more attention directed to building some kind of national consensus on this issue. It is still in a very amorphous state.

Like the member, I too am concerned when I read of secret strategies to suppress information, to try to put a public relations gloss on the discussion as opposed to involving every Canadian. The honourable member would agree that this is an important discussion and any agreement will have ramifications in our country as important as any in our history. It is not only an economic question, as the member says; it goes to the very heart and soul of our nation.

It is my view we should not be bartering away our cultural agencies. That position has been put very forcefully to the federal government. It will be put again at the first ministers' conference taking place in about three weeks. I remind the member, however, that I do not have the power to say what will happen at this point. He can count on a consistently strong voice from this province representing our views. We hope the federal government will take our views into account.

11 a.m.

Mr. Rae: With great respect to the Premier, he has a rather stronger bargaining position than he is giving himself credit for. When Prime Minister Mulroney phoned him some time ago and said he was going to proceed, if the Premier of this province had said, "You will proceed at your peril; Ontario is opposed to your proceeding until such time as we know precisely what is going on," I think that might have affected events. The fact that the Premier has consistently pulled his punches when faced with difficult decisions about free trade has helped to create the problem. That has helped to create the momentum in terms of the negotiations.

With respect to these institutions that are so crucial, not only for our cultural identity but also for this province's economy—publishing, communications, the theatre, the whole range of our cultural industries—I would like to ask the Premier whether he is prepared to stand up today in this House and say to the Prime Minister of Canada, "If those items are on the negotiating table in the discussions, Ontario will oppose Canada's participation in those talks."

Hon. Mr. Peterson: At this point, no one knows what is on the table from either side. My position on this matter has been very strong. Let me present the other side of this. Suppose these discussions go along without any provincial involvement. If Ontario does as the member suggests and stands on the side and shouts at people, the discussions could proceed anyway. That is a constitutional reality. Our view is that, with the Prime Minister having made the decision he did, at least we will be there, forcefully putting forward our point of view. I disagree with how it was done; it was premature and we should have done far more to create a national consensus.

The views we have carried are shared even by some of the member's colleagues, who now wish they had taken the strong views we did. The member's colleagues in Manitoba tend to be more in favour of the whole discussion than we are. What they have to do is to be more consistent in the view their party presents on this matter.

I believe we have been strong. Everybody acknowledges that we have put forward the most substantive case on behalf of protecting people in Ontario, not only in the cultural area—an important one, I agree—but also in the automotive, agricultural and other areas as well. When the other Premiers start looking at this question and at their exclusions, who knows where this thing is going to go? To stand on the sidelines and shout, "Do not talk," is not appropriate at this point, given the circumstances.

Mr. Grossman: The members on this side of the House, and I include all of them, do not require a lecture from the leader of the government about being consistent on free trade. The Premier was opposed to free trade discussions when he first came into office. Then he went to the Premiers' conference and had "the right questions." Then he seemed to be in favour of freer trade. Then he went to Washington, was intimidated, came back and again appeared to be against freer trade discussions.

Speaking of consistency, let me invite the Premier—

Mr. Speaker: By way of a question.

Mr. Grossman: —to tell us, first, whether he agrees in substance with the Prime Minister's having discussions; second, whether those discussions should include cultural industries—that is a "yes" or "no" one—and, third, specifically what work has been done by the government on the cultural industries question.

Mr. Speaker: The Premier. The question was asked.

Hon. Mr. Bradley: Well, thank you, Mr. Speaker.

Mr. Breaugh: It is only three.

Hon. Mr. Nixon: How many questions was that?

An hon. member: One answer will do.

Mr. Speaker: Order.

Hon. Mr. Peterson: The member is not doing his homework. I have difficulty understanding his position. He has talked about sectoral free trade—

Mr. Grossman: The question is the Premier's position. Let us hear that.

Hon. Mr. Peterson: The member's problem is he thinks—

Interjections.

Mr. Speaker: Order. The members are not interested. Final supplementary.

Hon. Mr. Peterson: Let me answer, Mr. Speaker, because—

Mr. Speaker: Order. The members were not willing to listen. Final supplementary, the member for Oakwood.

Mr. Grande: The Premier, of course, knows—

Hon. Mr. Nixon: Ring the bells all week.

Mr. Grossman: Mr. Speaker, on a point of privilege: With respect, you are suggesting that the members on this side are not interested in hearing the answer. That treats unfairly the members of the opposition who are here to hear one answer. We will settle for one out of three. The Premier does not want to answer the question. He wants to talk about the Conservatives—

Hon. Mr. Nixon: Sit down.

Mr. Gillies: We would take an answer to anything from over there.

Mr. Speaker: Order. That is not a point of privilege. I was trying to get order and I could not get order. The only other choice I have is to recess the House if I cannot get order, which I did not do.

Mr. Grande: The Premier, of course, knows the members on the committee supported the Mulroney initiative in this regard. But let me be specific with respect to the book publishing industry.

The Premier knows Ontario has levers here instead of following slavishly what the federal government is doing in selling off our industries, or giving up our cultural industries. The Premier knows, and I would like some clarification on this, that Prentice-Hall is going to move out of

Ontario. Will he make a commitment right now that this government will buy from Prentice-Hall or the school boards will buy from Prentice-Hall all of the books and educational material on Circular 14? The economic handle is there for Ontario to say it will not allow Prentice-Hall to sell those books in—

Mr. Speaker: Order.

Hon. Mr. Peterson: In response, the member raises a very good question. The issue of the Gulf and Western takeover concerns me greatly. We are very much opposed to that. We have taken a very strong stand with respect to keeping our book-publishing industry here in Ontario. There are many discussions going on now about our role vis-à-vis the federal role, but we are very keen on keeping that particular company here in Ontario and others that have some problems, as the member may be aware. I can assure him we are very much at one on that issue and we are doing everything we can to keep that company in Canadian hands.

TAX REVENUES

Mr. McCague: Every time I rise for a question, the Treasurer walks away. I would like to ask him a question and I will make it short. It will just require one answer, and I hope I will get one.

In view of the fact the Treasurer has now confirmed our suspicions that he underestimated the revenues flowing from provincial income tax, would he please explain to this House just what the extent of that is?

Hon. Mr. Nixon: The underestimation, if that is what it was, is really based on the adjustments made by the federal government in our share of personal income tax. I believe the increase is a measure of the increased economic activity, that is, the increased share of taxes paid by the province. There is not an underestimation.

It is nice to know, however, that the buoyancy in the community is such that the taxes payable are greater than was estimated by the government of Canada and by the Treasurer of Ontario. It is all reported in the books of the province and will be on a continuing basis.

Mr. McCague: I do not want to say the Treasurer is misleading the House, but I do not think he is stating the facts quite as they are. I hope that if I get removed from the House, he comes with me and we will chat about this for a couple of hours, get it figured out and get the facts.

It has been speculated by this party, by the third party and by the press that the Treasurer

underestimated the revenues flowing because of the federal government's increase in income tax, which he knew about. I asked him about this on several occasions and he has denied it up until this point. Now he has come, cap in hand, admitting we were right.

Will he tell me the extent of whatever it is he is going to get from the federal government, a figure he or his officials should have known prior to his setting out the budget for it?

11:10 a.m.

Hon. Mr. Nixon: The honourable member may huff and puff and try to inflate this into some sort of issue. I really have never, at any moment, indicated to anyone that any information that was available to me would not be fully available to the House on this matter. I am not prepared to say anything more than I said yesterday on this matter, namely, that a report came to me, even as I was sitting here. I wondered how the member got it. He said he read it in the paper. That is fine.

As far as we are concerned, it will be approximately \$50 million. I will provide a full report of that whenever the member wants it. I do not have it here. I do not know any more about it than that and that is a fact. I hope the member is not going to indicate I am not being factual.

Mr. McCague: On a point of order, Mr. Speaker: Certainly there is something here—

Mr. Speaker: Under what section of the standing orders is the point of order?

Mr. McCague: Under page 1535 of Hansard.

Mr. Speaker: If the member cannot give me the standing order, the member for Windsor-Riverside on a new question.

ASSISTIVE DEVICES PROGRAM

Mr. D. S. Cooke: I have a question for the Minister of Health. He will be aware that the assistive devices program has been in place in Ontario for people 18 years old and under for several years. The minister will be aware that the program has been assessed and that on May 1, 1984, the then Liberal Health critic, Sheila Copps, went on record calling for immediate extension. On October 11, 1984, the then Liberal Health critic, the member for Kitchener-Wilmot (Mr. Sweeney), called for immediate extension. Does the minister support the position taken by the those Health critics?

Hon. Mr. Elston: We are working very hard at putting together a program to expand the operation of the assistive devices. The member will be aware that the usage of the assistive devices program for people under 18 has been

quite successful. I am encouraging development of the program so we can extend its application.

Mr. D. S. Cooke: The answer sounds like those we used to get from Tory health ministers. What do I say to a 71-year-old widow who lives on old age pension and cannot afford her ostomy supplies, or a 53-year-old paraplegic who is living on the Canada pension and cannot afford supplies that are necessary? What do I say to these individuals? Why is the minister—and the Premier (Mr. Peterson) is doing the same thing—sending out a letter that simply says the program needs to be reviewed? The reviews have been completed. When is the government going to extend the program to adults in Ontario?

Hon. Mr. Elston: The member is bringing forward some real and justifiable concerns in the community. We are working at putting together responses. One of the difficulties we have had with respect to the assistive devices program, as with others, is that we are forced to pay for some programs which the former government was not able to put in the estimates. We are working now on putting together ways in which we can realistically extend these programs to assist in those social problems which are well pointed out by this member. We are working at it and will be moving ahead with that program very shortly.

DRINKING AND DRIVING

Mr. Gregory: I have a question for the Attorney General in connection with his statement this morning on automatic suspensions for drinking and driving. We agree with the direction he is taking on this matter—drinking and driving are a menace and should face harsh penalties—but we have some difficulties in reconciling this with the same government's approach to making beer and wine more readily available through corner stores.

What steps has the Attorney General taken to assure himself, his cabinet and the public that the new liquor policy will not negate whatever good his drunk-driving initiative achieves?

Hon. Mr. Scott: I thank the honourable member for the question. As he will know from previous answers, the Minister of Consumer and Commercial Relations (Mr. Kwinter) is reviewing the program the member has described. He will be delighted to know that one of the leadership candidates for the Conservative party now appears to be in support of it.

In due course a statement will be made. The important question to be determined, about which there currently is limited information, is

whether the availability of beer and wine has any impact on driving.

Mr. Leluk: It does.

Hon. Mr. Scott: The honourable member says it does, but he does not know. He is just saying it. It is important not to say things one does not know.

In this connection, I would point out that the only study that has been done on this subject, which may or may not be definitive, illustrates that precisely the reverse is true. That is the federal study I referred to in an earlier question.

Mr. Gregory: The Attorney General has received much advice, I gather, from Mr. Bates as well. He must be aware that our party has had a task force on this matter and it raised a number of legitimate and reasonable concerns about the beer-and-wine plan. Does the Attorney General agree to take into full consideration those concerns before approving any change in the procedures for selling beer and wine?

Hon. Mr. Scott: The minister is responsible for reviewing the matter. I would be delighted to receive representations from anybody on any subject. That is the way we have been trying to run this government.

To be fair, if the Conservative Party has a task force that is preparing submissions or recommendations, we would be delighted to have them and seriously to consider them. That is a part of our job. We look forward to that kind of help.

Mr. Rae: I want to ask a very direct question of the Attorney General. Does he seriously believe himself and does he expect anybody in this province to believe that making beer and wine available in corner stores, every corner store in the province, will not increase the consumption of alcohol by minors, will not increase the consumption of alcohol overall and will not lead to problems in the very area which he today says he is trying to clear up?

Hon. Mr. Scott: It is not a question of belief; it is not a theological question. It is a question of fact. As the member will know, in the one province in the country that has made this change, the fact is, and it may not be duplicated here or elsewhere, that not only is there no connection between one and the other, but also the connection, if any, suggests there is a reduction.

I am not interested in beliefs; I am interested in facts. The minister who will be considering the policy is going to deal in facts.

INTERNATIONAL HARVESTER

Mr. Mackenzie: I have a question of the Minister of Industry, Trade and Technology. The

minister is aware that American-owned International Harvester has decided to phase out production of the Cargostar truck in Chatham in favour of importing a new line of trucks from Nissan diesel in Japan. That decision, when implemented by mid-1986, is going to cost between 200 and 300 jobs in Chatham. Can the minister explain what he is doing to prevent the shutdown of that production?

Hon. Mr. O'Neil: I would like to thank the member for his question and concern. I would like to advise that we had been made aware of the problem that exists there and that the members in the area also have concern for what is happening there. I can say it is under advisement by my ministry. We will do everything we can to make sure the jobs are preserved.

Mr. Mackenzie: "Under advisement" sounds like an excuse for doing nothing.

Given the company's assurance to the union that Cargostar production would be maintained as long as there were orders for the trucks, can the minister explain why International Harvester's head office is not making a bid, or has refused to make a bid, on a South Korean contract for 2,000 trucks, which could keep production going in Chatham until 1987?

11:20 a.m.

Hon. Mr. O'Neil: This ministry is doing a lot in this province. The member should be one of the first who should be aware of the great job we are doing, some of it in his own riding. Do not come at us with something like that. Does the member want me to read the statistics of what this ministry has done in the past three or four months for jobs in the province? If he will be kind enough to provide to me some of the information he has, I will be very pleased to look into it.

When the member starts to criticize this government or this ministry and when he looks at the statistics that have happened in this province, let me quote to him that, in this province, our unemployment rate is one per cent less this month than it was a year ago; there are 40,000 fewer people who are unemployed; between October 1984 and October 1985 there was an increase of 130,000 jobs, and 29,000 of those jobs were in Ontario.

Mr. Gillies: The minister has not answered the question directed to him by the member for Hamilton East (Mr. Mackenzie) about one specific industry. If his verbiage could employ people, the unemployment rate would be a heck of a lot lower than it is.

Since the minister took office, White Farm Manufacturing has gone and Massey-Ferguson is laying off. Is he now telling the member for Hamilton East, the rest of the members of this House and me that he is going to sit back and do nothing about International Harvester?

Hon. Mr. O'Neil: Let me refer to the honourable member's question because it is the second he has had this week. I remind him that when he talks about his area, he was the member there and it was his government that did nothing about it for 42 years. It was partly his fault that nothing happened there.

Interjections.

Mr. Speaker: Order.

Mr. Gillies: On a very brief point of privilege—

Mr. Speaker: What is the point of privilege?

Mr. Gillies: The point of privilege is that if the minister's only reply to the members' questions is to hurl insults and accusations at members of the opposition—

Hon. Mr. Nixon: That is not fair.

Mr. Speaker: Order.

Interjections.

Mr. Speaker: Order. First, I wish members would realize what a point of privilege is compared to a point of order. I realize the honourable member is trying to bring up a point of order, suggesting that another member has used insulting and abusive language or made allegations. I listened very carefully. He got up on a point of privilege, and he has no point of privilege.

NATURAL GAS PRICING

Hon. Mr. Kerrio: On November 1, the member for Welland-Thorold (Mr. Swart) questioned me on one of the areas in which cabinet can influence natural gas pricing. I am referring to the petition to cabinet by the New Democratic Party caucus against prices allowed by the Ontario Energy Board to Consumers' Gas. The petition has been filed with the clerk of the executive council, and cabinet will make a decision after all the parties to the OEB hearing have had the opportunity to respond to the petition.

Mr. Swart: Does the minister, as Minister of Energy, not have an opinion to express before this House with regard to the tremendous excess income that has been awarded to Consumers' Gas?

Hon. Mr. Kerrio: The Ontario Energy Board Act provides that the Lieutenant Governor in Council may confirm or rescind the board's decision in whole or in part, or require the board to have another hearing. On that basis, I have to defer to the involvement I would have at the cabinet level and not say anything until that has been heard and then referred to this House.

FRENCH-LANGUAGE EDUCATION

Mr. Guindon: My question is directed to the Minister of Education. When will the minister be introducing his promised new legislation on governance of French-language schools?

Hon. Mr. Conway: I hope to be introducing the new legislation on minority-language governance for education some time later this fall.

Mr. Guindon: Since in many school boards throughout this province, such as in Prescott-Russell, the francophone student population and the Roman Catholic student population are virtually one and the same, will the legislation clearly spell out the relationship between the governance of French-language schools and the extension of full funding to Roman Catholic separate schools?

Hon. Mr. Conway: We are working very diligently with the francophone community and with others in the educational community to develop the best possible minority-language-governance legislation, having regard to the very legitimate concerns expressed on virtually all sides about the previous legislation introduced in this Legislature earlier this year.

We will be paying very careful attention to the relationship between separate school extension and minority-language governance. We expect to have legislation that will very adequately address the very real concerns that have developed in this area.

REMUNERATION PACKAGE

Mr. Foulds: I have a question for the Minister of Transportation and Communications.

Can the minister confirm that the board of directors of the Urban Transportation Development Corp. and the cabinet violated the pay-increase guidelines of the previous government by paying Kirk Foley, as president of UTDC, an under-the-table bonus of \$25,000? Can he also confirm that Mr. Foley's total remuneration as of March 1985 was in excess of \$200,000?

Does the minister not feel the same sense of outrage about this as I do when Mr. Foley can go to the workers in Kingston and Can-Car and tell

them they have to tighten their belts to keep the company viable?

Hon. Mr. Fulton: The honourable member is somewhat inaccurate about the total remuneration package paid to Mr. Foley. I remind the member that UTDC is an arm's-length corporation under a separate act and apparently was not within the guidelines in effect at the time. There are three separate components to his remuneration: his salary, a deferred compensation plan put into place some time ago, and a bonus system, which I understand was incorporated in 1984.

Mr. Foulds: Does the minister not think it is about time the so-called arm's-length relationship was ended, when we have such a violation of what seems to be the government's policy with regard to pay increases and what seems to be an exorbitant remuneration package?

Hon. Mr. Fulton: I remind the member that the remuneration package is not this government's package. However, I have met with the chairman of the board of UTDC as recently as Tuesday this week, and I will be reviewing the matter with the full board at a meeting before the end of this month.

INSECT INFESTATION

Mr. Pollock: I have a question for the Minister of Natural Resources. His ministry has committed \$5 million to fight gypsy moth infestation in eastern Ontario. Will he explain to this House how he is going to spend that money?

Hon. Mr. Kerrio: Our program is now being evolved as to how we are going to deal with the budworm infestation in north-central and north-western Ontario and the spraying relating to the gypsy moth in eastern Ontario. We have a very precise schedule, and we have to get it going well before the time of spraying simply because we have to order the sprays, get the aircraft lined up and do all the other things necessary to carry out a meaningful spraying program. We also have a great problem as to what kind of herbicides or pesticides we are going to be able to use.

It is a very difficult task we have before us. However, we are committed to a spraying program. We are going to do everything we can to protect the forests of Ontario and, more appropriately, those parts of the province, such as eastern Ontario, that have hardwood, tourism and cottages aspects. The plan is under way and will be unfolded as quickly as we have a determination of how much money we have at our disposal and how we are going to address the problem properly.

11:30 a.m.

Mr. Pollock: Is the minister going to subsidize spraying by private land owners? I have municipalities that want to know.

Hon. Mr. Kerrio: We have a very difficult task as it relates to spraying on private land. Our legal division is attempting to sort that out. We are going to do something if we can. It may not be a direct subsidy or help in that fashion; it may more properly be something we can do at arm's length so we do not put ourselves in a position of liability with respect to private land owners. Up to this point, the responsibility on private land is placed on its owners, unless we can devise a method whereby we can be helpful.

Mr. Speaker: The time for oral questions has expired.

ROLE OF SPEAKER

Mr. Harris: Mr. Speaker, I rise on a point of order or privilege, whichever you feel is appropriate. Members on this side of the House were very disturbed by your comments that indicated members are not interested in hearing an answer.

I ask you, with a great deal of respect, to contemplate whether that is the appropriate way for a Speaker to cut off an answer. I suggest you look at it carefully and make sure. I do not think you intended it, but for the record it appears as though you have imputed what members are interested in doing or not doing. We are very interested in hearing answers in this House.

If you put yourself in a position of trying to make a judgement, one of those might be that members in this House are not interested in the garbage coming from over there. That could have been just as easy.

An hon. member: Or the non-answers.

Mr. Harris: Yes, and the consistent non-answers. In suggesting we were not interested in hearing an answer, you could have just as easily imputed some of the other things that exist. I ask you to look at the wording and to be very careful. I understand you have a problem when this House gets rowdy. I suggest the reason it did was not that we did not want to hear an answer; it was that we were not getting one. I ask you to look carefully at how you will be dealing with this in the future.

Hon. Mr. Nixon: Mr. Speaker, before you respond, I want to note that I have some sympathy with the comment the honourable member has made, except that Mr. Speaker and his predecessors, going back certainly three or four generations of Speakers, have often used the

phrase when the opposition—and believe me, I was a part of it for a long time and may be again—got so loud that nobody could hear what was going on. The Speaker might use other words, but honestly it is sort of a tradition that Mr. Speaker says, “Since the members are not interested in the response, we will go on to the next question.” Frankly, it has been pretty effective in the past; we found it so.

I do not want to make a judgement. I simply want to point out to you, Mr. Speaker, that in my opinion, your criticisms directed to this side and criticisms of that side sometimes sting a bit, but that is what you are there for. Question period is not an easy thing to run, and frankly, I think you are running it well, as long as everybody remembers that the rules allow cabinet ministers to answer as they see fit or not to answer. If their answers are inadequate the opposition can point out their inadequacies, and objective observers can reach their conclusions.

However, I do not think we ought to be picking away at Mr. Speaker, who has been getting through these hours reasonably well, with more members having a chance to ask questions. I am not here to defend either myself or my colleagues. We are doing the best we can; sometimes it is a little difficult. However, Mr. Speaker is doing a good job.

Mr. McClellan: I want to say a word on this matter too, Mr. Speaker. On behalf of my colleagues, I want to say quite frankly that we appreciate the way you have been trying to move the questions along so it is apparent that question period belongs to all the members of this House and not just to the leaders of the parties. That is an important point. We had 60 minutes of questions today in which we had a rotation that extended to only two ordinary members after the leaders had used up the bulk of the question time.

The incident raised by my colleague the opposition House leader was seen by me as follows: the acting Leader of the Opposition and the Premier were both on their feet simultaneously shouting at each other when you intervened and moved it along to another questioner, who happened to be a member who sits in the second row.

It is important that you continue to try to make sure the time is allocated equally among all the members and not simply among the leaders, and that when there are these kinds of disruptions you move along as you did today.

Mr. Speaker: I thank the members for their comments. I hope when I said the members are

not interested in hearing the response I was referring to all members.

Because you are up on a point of order—I guess we can call it that—I would like to refer you to standing order 23(b), which definitely says, “When a member is speaking, no other member shall interrupt him, except on a question of order.”

It is most difficult on many occasions to uphold that standing order, and the Speaker really has only the choice of standing and cutting off all the microphones; but that does not cut off the interjections from your ears. The only other choice the Speaker has is to recess if these standing orders are not upheld.

I will certainly look at it, and I hope have not offended any of the members. By saying that I felt I was referring to all members of the House.

PETITIONS

ANNUAL REPORT, MINISTRY OF LABOUR, 1984-85

Mr. Speaker: I wish to advise the House that a petition was tabled today; it reads:

“We, the undersigned members of the Legislative Assembly, hereby petition that the 1984-85 annual report of the Ministry of Labour be referred to the standing committee on resources development pursuant to article 33(b) of the standing orders of the assembly.”

I inform the members that this has been received and will be referred to the standing committee on resources development.

ROMAN CATHOLIC SECONDARY SCHOOLS

Mr. Morin-Strom: I have a petition from students of Mount St. Joseph College in Sault Ste. Marie.

“To the Honourable the Lieutenant Governor and the Legislative Assembly of Ontario:

“We, the undersigned, beg leave to petition the parliament of Ontario as follows:

“That Catholic schools have maintained an impressive record throughout a history of adverse conditions. All we request when we insist on our right to public funding is a chance to fulfil our potential.”

This petition has been signed by 676 persons in my riding of Sault Ste. Marie.

MOTION

REFERRAL OF BILL 7

Hon. Mr. Nixon moved that the order for Bill 7, An Act to amend certain Ontario Statutes to

conform to section 15 of the Canadian Charter of Rights and Freedoms, to be considered by committee of the whole House be discharged and the bill be referred to the standing committee on administration of justice.

Motion agreed to.

11:40 a.m.

ORDERS OF THE DAY

THIRD READINGS

The following bills were given third reading on motion:

Bill 8, An Act to amend certain Ontario Statutes to conform to section 6 of the Canadian Charter of Rights and Freedoms.

Bill 14, An Act respecting the Enforcement of Support and Custody Orders.

Bill 27, An Act to amend the Municipal Elections Act.

SECOND READINGS

Hon. Mr. Nixon: Mr. Speaker, on a point of order: Although these bills are listed, as they come forward it may possibly be that the members associated with the private bills have not noticed they have a special responsibility in this regard, since this is the first occasion the House has had to do this. I draw to the attention of the members in the various parties that if the individual member is absent it is quite in order for the House leader or any other member of that party, or for that matter any member, to get up and move the bill.

FAMEE FURLANE OF HAMILTON ACT

Mr. Jackson moved second reading of Bill Pr1, An Act to revive Famee Furlane of Hamilton.

Motion agreed to.

Third reading also agreed to on motion.

HISTORIC VEHICLE SOCIETY OF ONTARIO ACT

Mr. Mancini moved second reading of Bill Pr2, An Act respecting the Historic Vehicle Society of Ontario.

Motion agreed to.

Third reading also agreed to on motion.

PAULINE MCGIBBON CULTURAL CENTRE ACT

Mr. McCague moved, on behalf of Ms. Fish, second reading of Bill Pr5, An Act respecting the Pauline McGibbon Cultural Centre.

Motion agreed to.

Third reading also agreed to on motion.

CITY OF ST. CATHARINES ACT

Mr. Guindon moved, on behalf of Mr. Partington, second reading of Bill Pr6, An Act respecting the City of St. Catharines.

Motion agreed to.

Third reading also agreed to on motion.

CITY OF NIAGARA FALLS ACT

Mr. Offer moved, on behalf of Mr. Haggerty, second reading of Bill Pr10, An Act respecting the City of Niagara Falls.

Motion agreed to.

Third reading also agreed to on motion.

THE CENTRAL PIPELINE COMPANY, LIMITED ACT

Mr. Cordiano moved second reading of Bill Pr13, An Act to revive The Central Pipeline Company, Limited.

Motion agreed to.

Third reading also agreed to on motion.

AGRICULTURAL ANHYDROUS AMMONIA CO. LIMITED ACT

Mr. Cordiano moved second reading of Bill Pr14, An Act to revive Agricultural Anhydrous Ammonia Co. Limited.

Motion agreed to.

Third reading also agreed to on motion.

CANADIAN NATIONAL EXHIBITION ASSOCIATION ACT

Mr. Leluk moved, on behalf of Mr. Shymko, second reading of Bill Pr16, An Act respecting the Canadian National Exhibition Association.

Motion agreed to.

Third reading also agreed to on motion.

CITY OF CAMBRIDGE ACT

Mr. Barlow moved second reading of Bill Pr18, An Act respecting the City of Cambridge.

Motion agreed to.

Third reading also agreed to on motion.

THE PETERBOROUGH CIVIC HOSPITAL ACT

Mr. Pollock moved, on behalf of Mr. Turner, second reading of Bill Pr20, An Act respecting The Peterborough Civic Hospital.

Motion agreed to.

Third reading also agreed to on motion.

CHARITY HOUSE (WINDSOR) ACT

Mr. Newman moved second reading of Bill Pr21, An Act respecting Charity House (Windsor).

Motion agreed to.

Third reading also agreed to on motion.

11:50 a.m.

ENOCH TURNER SCHOOLHOUSE FOUNDATION ACT

Mr. Offer moved second reading of Bill Pr23, An Act respecting the Enoch Turner Schoolhouse Foundation.

Motion agreed to.

Third reading also agreed to on motion.

Hon. Mr. Nixon: On a point of order, Mr. Speaker: I congratulate you and the members for doing this so beautifully. On the other hand, I forgot to introduce the bill which I announced in my statement that I would introduce. I ask for permission to revert to introduction of bills.

Mr. Speaker: Do the members agree?

Mr. Cureatz: On a point of order: What bill is that?

Hon. Mr. Nixon: The Assessment Amendment Act.

Mr. Speaker: The announcement was made earlier this week.

Mr. Cureatz: I know; I heard the announcement. I have a point of order. I want to know if the Treasurer plans on supporting the bill, because when he sat on this side, right there, do members know how often he spoke against the bill?

Mr. Speaker: Order.

Hon. Mr. Nixon: Sure. I voted for it every time.

Mr. Speaker: Are the members agreeable to revert to introduction of bills?

Agreed to.

INTRODUCTION OF BILL

ASSESSMENT AMENDMENT ACT

Hon. Mr. Nixon moved, seconded by Hon. Mr. O'Neil, first reading of Bill 57, An Act to amend the Assessment Act.

Motion agreed to.

TOBACCO TAX AMENDMENT ACT (continued)

Resuming the adjourned debate on the motion for second reading of Bill 49, An Act to amend the Tobacco Tax Act.

Mr. Cureatz: I am very pleased to have the opportunity to continue the debate on Bill 49, An Act to amend the Tobacco Tax Act. Many of the members will be disappointed that I will not have the opportunity of debating this bill at any great length, because the standing committee on administration of justice is in dire need of my services in reviewing the estimates of the Attorney General (Mr. Scott). However, I would like to make two points in regard to my absence, and in regard to Bill 49.

Many members will be able to get Hansard from last night. If they have not had the opportunity of already reading it this morning, they will be able to read Hansard over the long weekend and over all of next week because we will not be sitting. My comments on the earlier bill, the Land Transfer Tax Act, will make for some very interesting reading.

Second, if members have not had the opportunity of getting the Hansard from last night, I know the Treasurer (Mr. Nixon) was very concerned about some of my comments. He went home—if he goes home now—in the chauffeur-driven limousine with the yellow lights on the front bumper. They scare me because I always think I am going to get zapped by one of those yellow lights. I might refresh the Treasurer's memory on how often he spoke about the yellow lights on the chauffeur-driven limousines. Does he plan on taking at least the yellow lights off the limousine? Before this government terminates, we will find out whether the yellow lights, which appear to zap people when he is driving along the highway, will be removed.

I do this only to refresh the Treasurer's mind that for three long, wonderful years as Deputy Speaker I had the opportunity to listen to many debates in these chambers and in the sacred hallowed halls. Time and time again, I would hear the member for Brant-Oxford-Norfolk (Mr. Nixon) carry on at great length about various problems that he had in regard to the then great government of Ontario. One of them always seemed to be the chauffeur-driven limousines and the yellow headlamps.

The point I am making is that I am concerned about Bill 49, the increase of taxes on tobacco. I would like to know whether the increase in taxes goes towards the support of the yellow headlights on the chauffeur-driven limousines? I know he will bring that answer to us in the fullness of time, a line he always got discouraged about when he was in opposition. Now we hear it frequently from the front row of the government side—which brings to mind—it looks like meagre

pickings on a Friday morning. Where is the great front row?

Mr. Speaker, I have not had an opportunity to indicate that you have a very challenging position ahead of you. As I indicated, I had the opportunity of serving this House and, if I do say so myself, I think in a fair capacity. That fairness from time to time stood me in bad stead with some members of a particular party of which we will not go into details yet.

The Deputy Speaker: Would the member resume discussing the bill at hand?

Mr. Cureatz: I was telling you, sir, that you have a very challenging position and reminding you that your pay comes from the Legislative Assembly of Ontario, whose funds probably come from the general revenue fund, from the Treasurer, and he gets that money from Bill 49. It is all tied in together.

I was trying to pay the Deputy Speaker a compliment and he will not even take that.

With regard to Bill 49 and the general budget—this is a practical thing, a nice package, nice colours; the blue could have been a little bluer—I want to congratulate the Treasurer on behalf of all members because I appreciated getting it five minutes ahead of his presentation. I do not say that sarcastically, but time and time again, for the humble nine or 10 years I have been here—and I must admit when we formed a government under Darcy McKeough and Frank and Larry, they would come in and present the budget paper—just be patient—and then there would be a huge scurry of pages all around the chamber here, a rustling of papers among people in the public galleries, all the press and all the cameras up there.

Notice how the cameraman is getting ready for the filming of this debate. I can see how anxious he is; he is very concerned about some of my comments on Bill 49. He is going out to get the camera filled with new film so that he does not miss a word. I want to remind him, if he does miss it, he will be able to get it on Hansard. He can take it home over the week and I want him to study my comments and then we will have a test on it a week from Monday.

The Deputy Speaker: Order. Would the member please restrict his comments to the bill at hand?

Mr. Cureatz: I was. I was talking about Bill 49 and my comments on an amendment to the Tobacco Tax Act; the cameraman is to review my comments about the act and I am going to test him on it in a week's time. That is what I was

talking about. I wish you would allow me some latitude on this.

The Deputy Speaker: The chair is allowing far more latitude than it should.

Mr. Cureatz: I want to thank the Treasurer for at least getting the budget paper out to all members before his presentation. That is a small thing, but it is a nice practical thing, because it allows members the courtesy of preparing themselves to take a look at the budget paper before its presentation. It is a courtesy that I think we, as Conservatives, should have thought about. Our Treasurer should have thought of it in recognition of all private members. Sometimes I am worried that maybe those are some of the little things that hurt us a little bit back on May 2.

12 noon

However, enough of the compliments. I want to draw specific attention to page 25 of the budget paper, the Tobacco Tax Act, period. What happened to points 1 and 2? Just a big period. It says: "The ad valorem tax structure for cigarettes and cut tobacco will be abolished and replaced with a specific tax per unit. The specific taxes will be 2.7 cents per cigarette and 1.5 cents for each gram, or part of a gram, of cut tobacco and all other tobacco products, except cigars."

There is a reason the Treasurer has exempted cigars from this tax. Mr. Speaker, you will have to bide your time with this, but it does tie in. Trust me.

We can now see who the real government is. The leader of the third party is addressing himself to the Treasurer, giving him instructions and giving him cues and points of information in regard to my criticism of Bill 49. The leader of the third party is advising the Treasurer on specific points on which he can critique my remarks.

The reason the Treasurer has exempted cigars goes back to a particular cigar box in about 1979. This is an interesting story. When I was first elected in 1977 with a smashing majority of 122 votes, I decided I had to have a plan of attack to ensure my re-election. I first took a look around at the provincial and federal members in my area in that great riding of Durham East. I looked at the member for Oshawa (Mr. Breagh) and I looked at a fellow by the name of Ed Broadbent. Who has heard of Ed Broadbent? Hands up. One Tory has heard of Ed Broadbent. To refresh the memory of the member for Bellwoods (Mr. McClellan), he is the guy who sends out those fake income tax notices.

At any rate, I took a look at Ed and at the member for Oshawa. Do the members know

what they do? This ties in, Mr. Speaker. It really does. Give me a chance. They weasel themselves into their ridings and they know every nook and cranny, every street and every driveway. They go to every function.

I said to myself: "That has been their success. I had better take a page, not out of the Conservative book or, heaven forbid, out of the Liberal book, but out of the New Democratic Party's book on how to retain a riding. You keep your riding if you represent people in your riding and ensure your constituents are being looked after."

Mr. McClellan: Come on; this is getting silly.

Mr. Cureatz: It is not silly at all. We are talking about why the Treasurer has exempted taxes on cigars. We are getting to the point. Be patient. The flower is unfolding. I know you are running the Liberal government, but you are not running the Conservative Party yet, Ross McClellan.

The Deputy Speaker: Would the member address his remarks to the chair?

Mr. Cureatz: In regard to ensuring my representing the great riding of Durham East, from time to time I would have groups attend parliament to sit in these sacred chambers and visit with members. Do the members know what? It is interesting that from 1977 to around 1981 it was a little hard for me, when I had groups visiting Queen's Park, to get a cabinet minister to talk to my groups as they were bused in. However, I found that I could lasso any member of some stature then and, lo and behold, he would more than graciously speak to my group. As a result, who would I find out in the hallway? I would find the Liberal House leader.

Mr. McClellan: It is a filibuster. We finally figured it out.

Mr. Foulds: We finally figured it out.

Mr. Cureatz: I am talking about why there is no increase on cigars. I am talking about Bill 49.

I would find in the hallways one private member, the member for Brant-Oxford-Norfolk. I would say in a panic-stricken voice: "Bob, I need your help. I have a group of 65 people here. They just saw you in the hallway and they said, in a gasping voice: 'Is that really Bob Nixon, the former leader of the Liberal Party? Is that him in flesh and blood? Does he actually live? Does he actually breathe and drink water?'" I said: "That is Bob Nixon. As a matter of fact, Bob is such a popular member I know that I can get him in here to say 'hi' to each and every one of you."

Do you know what? I went to Bob in the hallway and said: "Bob, I have an embarrassing

question to ask you. I know we are of opposite parties and I know we do not see eye to eye on particular issues, but I have a group of constituents visiting Queen's Park and they have expressed great interest in meeting you personally." Do you think Bob then turned to me and said, "No way, I am not doing that. You are a Tory"? No, the old Bob Nixon would say—the lawyer, the member for Mississauga North (Mr. Offer), should listen to this and he will learn something. Bob would say—

The Deputy Speaker: Would the member please refer to the Treasurer as such?

Mr. Cureatz: I am talking, sir, about why there is not an increase on cigars and I ask you to be patient because we are almost at the conclusion of this particular vignette.

I said to Bob, "Come on in." He was great; it was one of his best. One would have almost thought I was a Liberal the way he flattered me on what a great job I was doing representing the constituency of Durham East. Time and again I would do that—well, three or four times—and I could always rely on good old Bob to come in and speak to my group. I always got a little embarrassed. After all, where was Darcy and where was Gordon Walker? Where is Gordon Walker?

Interjections.

Mr. Cureatz: I do not know where they are. I had Frank Drea come in. That was a mistake; he called everybody wackos. However, I could always rely on Bob and I want to recognize that kindness.

I have a confession to make to all the members in this chamber and to the humble Minister of Education (Mr. Conway), who I notice has changed his suit. Fellow Conservatives, do you remember in discussions of many taxation bills, such as Bill 49, An Act to amend the Tobacco Tax Act, how he would sit and then stand in his place and wave the bill around like this? Then he would take his hands out of his pockets and shake them like this in great drama. He missed his calling.

He was not that way before he went to China, but something happened when he came back from China, and I am not sure what it was. Now he cannot settle the education strike and—

The Deputy Speaker: Would the member please restrict his comments to Bill 49?

Mr. Cureatz: I am advising you, Mr. Speaker, that I am concerned about the Minister of Education because there might be some collusion between him and the Treasurer on why

there is no tax on cigars. But there is no collusion because the real reason there is no tax on cigars—and I was coming to the admittance of this fact—is that in my riding I have something called Jasco. It is a small manufacturing company that makes boxes—little, tiny, decorative boxes—

Mr. Foulds: For cigars.

Mr. Cureatz: Has he heard this story before? They make boxes for cards, boxes to hold cutlery, boxes to hold cigarettes and boxes to hold—

Mr. Foulds: Cigars.

Mr. Cureatz: Thank you.

Mr. Foulds: Cigars, which are not taxed under this bill.

Mr. Cureatz: Exactly. In recognition of all those favours that the former, the old Bob Nixon did for me, I went and purchased from this great manufacturing company a very nice cigar box, which I then gave to the then former nice guy Bob Nixon to say thank you.

The Deputy Speaker: Will the member please refer to other members by their riding or their office?

Mr. Cureatz: On the cigar box, I said: "To Bob Nixon"—is that legitimate?—"Thank you." Then I added—the New Democratic Party will like this—in brackets, "Darlington generating station," just to refresh his memory. I am glad I did that, especially now the Liberals have formed the government, especially now that the Treasurer is in charge of the purse-strings and in the light of the fact that we are interested to see what will happen to the Darlington generating station, that huge Ontario Hydro complex that is being built in my riding and has 5,000 union men and women working there. Of course, we are interested to see under this bill, An Act to amend the Tobacco Tax Act, whether those extra funds may go for the continued construction of the generating station.

12:10 p.m.

That is the reason I am a little suspicious of his exemption of cigars from the bill to amend the Tobacco Tax Act. Was it self-serving? Has he been filling up that cigar box all these years and does he want to continue to do so? Does he himself not want to pay extra tax on those cigars? I am afraid I will not be able to be in attendance to listen to his summation remarks, but I will get copies of Hansard, and they will make very interesting bedtime reading in the wee hours of the morning as I am cuddling with my wife Kathryn and we have nothing better to do than read the comments of the present Treasurer.

I would like to know what went through the mind of the Minister of Education when I said I would be cuddling in bed late at night with my wife. That is something with which he would not be familiar, but that is a tale for another night.

With regard to the increases in taxes in the Act to amend the Tobacco Tax Act, I alluded to some of these facts last night. I was not very happy because I do not think the Treasurer responded sufficiently to my concerns about the Land Transfer Tax Act, but now that we have the whole morning, at least three quarters of an hour left—

Hon. Mr. Nixon: I have two more bills. Please.

Mr. Cureatz: I know he will be very concerned and will tell us some of the answers to my questions. I will not go into detail again. For instance, are the funds raised by this tax going to go towards fixing the ruts in Highway 401? I would like to know that. As I indicated last night, we have seen splattered across the province those humungous signs, "Another highway project by the government of Ontario."

Someone is smiling back there. The member for Mississauga North (Mr. Ward) has seen them. The member for Wentworth North is embarrassed. There is a thump in his chest when he drives by. He knows the funds from the Act to amend the Tobacco Tax Act are going to the maintenance of those huge signs.

On the very bottom of those signs, it says, "Presented to you by the Premier of the province and the Minister of Transportation and Communications." The Minister of Transportation and Communications (Mr. Fulton) has not driven on Highway 401 between Newcastle and Belleville. The Minister of Education has not driven that highway in a long time, not since he has become minister, because he has a chauffeur and a fancy, driven limousine and is too busy talking on the mobile phone to the Premier (Mr. Peterson) and the Treasurer, a mobile phone which is being financed by the Act to amend the Tobacco Tax Act. He does not know about the condition of Highway 401 because his driver, I am sure, is too polite to bring that to his attention.

I am also wondering about the increase in taxes under the Tobacco Tax Act. Some of those funds may be going to the Ministry of Citizenship and Culture. It grieves me to bring this to the Treasurer's attention. This is a serious item.

As I indicated a few moments ago, my approach has been to take a page out of the New Democratic Party's book and ensure that, first, I represent my riding and I make sure the concerns

of my constituents are adhered to. I appreciate the Minister of Education's looking after a particular constituent who was seeking some interesting books on education. I thank him very much.

I am concerned about my two riding offices and the lack of results they have been getting from the Ministry of Citizenship and Culture. I bring this to the attention of all members here because, let us face it, the name of the game is to look after the riding.

The Deputy Speaker: Order. I would remind the member I have really brought him to order often enough and the member, having been past Deputy Speaker, as he states, knows the standing orders as well or better than anyone else. He has pushed it just far enough. Would you please restrict your comments to tobacco, the Tobacco Tax Act and the bill in front of us?

Mr. Cureatz: Indeed, I do know the rules.

Mr. Grande: On a point of order, Mr. Speaker: Does that mean you will not remind the member of what is what?

The Deputy Speaker: That means I am almost at the end of permitting any deviation from the bill at hand and I am ready to remind him of the specific sections of the standing orders. If he continues, I will call him to order and move on to the next speaker.

Mr. Cureatz: Thank you very much, and my appreciation to the member for Downsview.

Mr. Grande: Oakwood.

Mr. Cureatz: The member for Oakwood. How could I forget? I should have remembered. I remembered the member's riding all the time when I sat in those sacred four-pillared posts and, as the Deputy Speaker so rightly pointed out, indeed I have some working familiarity with the rules of these chambers.

Mr. Speaker, if you would like me in every 45-second interlude to relate back to the bill, An Act to amend the Tobacco Tax Act, which is fair game under the rules of procedure of these chambers, I will, sir, because then I am talking with regard to Bill 49.

Before I was interrupted, I was mentioning that the tax raised under Bill 49, An Act to amend the Tobacco Tax Act, goes into the general revenue fund and I was curious about how the Treasurer was going to be spending the money out of the general revenue fund, which moneys come from, amongst other things, this bill, An Act to amend the Tobacco Tax Act. I was curious in reminding him about a problem I am encountering in my riding under the Ministry of

Citizenship and Culture, whose funds come from the general revenue fund and partly from An Act to amend the Tobacco Tax Act.

Under that ministry, my staff has encountered nothing but stalls—I will not go so far as to say rude—and unco-operative attitudes from the regional director for my area, Mr. Momoh Kakulatombo.

It grieves me to say that because I am not that kind of vindictive member, but I do it only in recognition of the fact of looking after my riding. My riding staff has called him continuously with inquiries from constituents in Durham East seeking advice with regard to various aspects of the Ministry of Citizenship and Culture. As we all know, the ministry is being funded by the general revenue fund of Ontario, in which moneys come from Bill 49.

I hope someone over there, the Minister of Industry, Trade and Technology, the member for Quinte (Mr. O'Neil), will make a note of that and mention to the minister I am not very happy about this particular person because he is not serving my riding or, I think, the ridings around us in the capacity he should be.

In any event, with regard to the Tobacco Tax Act and the raising of money, there is also an interesting aspect of the funds raised from the Tobacco Tax Act, namely, how the funds will be turned over to farmers. What about the tobacco farmers?

Are they not, I would ask the member for Bellwoods, of some concern to us under Bill 49, An Act to amend the Tobacco Tax Act? Remember the tobacco farmers. Of course, he would not know anything about farming because he represents a big area in downtown Toronto and he has been returned to these chambers many times and obviously represents the area very well.

12:20 p.m.

On the other hand, I know that with the great responsibilities he has he is always willing to learn and to give some consideration and understanding to tobacco farmers, and those tobacco farmers are going to be affected under Bill 49, An Act to amend the Tobacco Tax Act.

I said to myself, "How is the Treasurer going to be spending some of this money in regard to tobacco farmers?" I looked at the budget, and although it did not refer to tobacco farmers, I am sure the farmers of Ontario would recognize the fact that tobacco farmers would be in the category of farmers. How is the Treasurer going to be spending the tax raised from Bill 49 in

regard to farmers generally and specifically tobacco farmers?

If members take a look—and the minions under the gallery might make a note there—they will see that on page 6 of the budget, nine tenths of the way down, there is the great new Liberal policy in regard to farmers in Ontario. It is same kind of policy the Treasurer indicated earlier during question period in regard to the housing policy. I know the member for Brantford (Mr. Gillies) is busily taking notes, because no doubt he is concerned in regard to tobacco farmers in his vicinity.

I am talking about Bill 49, tobacco farmers; how can one go wrong with that, Mr. Speaker?

The Deputy Speaker: So long as you restrict your comments to tobacco farmers, that is fine.

Mr. Cureatz: I am indicating there are many members in this chamber who are concerned about farmers and tobacco farmers. The member for Brantford is one. The Treasurer is another. The member for Kent-Elgin (Mr. McGuigan), who spoke earlier, indicated some of his concerns. I was bringing to everyone's attention on page 6, nine tenths of the way down, the new Liberal policy in regard to tobacco tax farmers. I see Hugh MacKenzie is very interested in this debate.

"Within the next few weeks, the Minister of Agriculture and Food will be announcing details of a \$6-million transition fund"—here it comes; is everybody listening? This is really good.

Mr. McClellan: No, I am not listening.

Mr. Cureatz: The member should.

Mr. McClellan: I stopped listening to the member two hours ago.

Mr. Cureatz: My friend is supporting this government. He should be listening to what the budget says; I am reading it: "...a \$6-million transition fund to assist farmers"—this is the punch line; this is great, and I want a little applause after this—"leaving the agricultural industry."

Imagine that. How often have we heard the member for Brant-Oxford-Norfolk say when he was in opposition: "When I would raise taxes such as those under Bill 49, An Act to amend the Tobacco Tax Act, I would get that money and turn it back into the farm community. I would ensure the farmers of Ontario would have a good livelihood."

What is his answer now that the Liberal administration has taken over, under the guidance of the third party in this coalition government? Does the Treasurer know what the answer

is? We are going to take the money from Bill 49 and help farmers get out of farming. Is that the new policy of the great, open Liberal administration? We will see as events unfold.

As time ticks away, I am sure the standing committee on administration of justice is very concerned that I am not in attendance and bringing some fresh ideas into that stalwart and stale committee. However, I want to say I am very concerned that the funds raised under Bill 49 are not necessarily going to assist tobacco farmers, many of whom are in my constituency.

There are not as many tobacco farmers as in past years, and why not? We have to realize there is a government push, and probably a concern on the part of all members in this chamber, about the health of people in Ontario who are smoking and the diseases related to that habit.

Mr. Grande: The member as well.

Mr. Cureatz: That is right; me as well.

We are concerned that Bill 49, An Act to amend the Tobacco Tax Act, although doing away with the ad valorem tax, will if the statistics prove correct put a higher tax on tobacco than the ad valorem tax. With regard to whom will those funds properly be spent? Not all the farmers of Ontario.

Let us look at the tobacco farmers. We do have a problem. All of us in the chamber are concerned about people's health and the continuing habit of smoking. However, what do we do with the tobacco farmer? It is a problem all of us will have to face. I am only bringing out the problems to which I am embarrassed to say I do not have the answers. None of us has the answer, but I think all of us are going to have to focus our attention on it.

We can do one of two things. We can get the tobacco farmers out of the tobacco industry. With regard to the continued influence of the new Minister of Health (Mr. Elston), I suppose that might be the way to go. If one rides the subway in Toronto, which is financed by the government of Ontario, and if one reads the signs promoted by the Ministry of Health with regard to not smoking, one has to think, "There go the tobacco farmers." There are a lot of people making their livelihood by growing tobacco.

By the same token, if we do away with the tobacco industry, what do we do with the tobacco farmers? Do we look at their farms and, through our representatives in the Ministry of Agriculture and Food, try to give them some assistance in a transition from the tobacco industry to another industry?

Mr. G. I. Miller: Just given them a little help. Do not sink them.

Mr. Cureatz: I know the member for Haldimand-Norfolk (Mr. G. I. Miller) is interested in this because his area has more tobacco growers than mine.

The problem is, can the farm handle that kind of transition? The member for Kent-Elgin indicated it might not be able to. The honourable member is shaking his head; so it cannot handle the transition for the growing of other crops.

Not being a major in agriculture, but simply a humble barrister and solicitor from the village of Newcastle in the great riding of Durham East, I do not have the answer in terms of the transition from the tobacco industry to another agricultural industry.

Another problem arises. Even if I did have the solution with regard to the extra tax being raised under Bill 49, an act that affects tobacco farmers, we have the Ministry of Health on one side trying to stop smoking and we have the concern under this act of continuing to raise funds through the tobacco industry. What do we do with those tobacco farmers? If we do not have the solution to that problem, we still have the second problem. I bring this to everyone's attention.

In conclusion, the second problem is that perhaps those tobacco farmers do not want to get out of the tobacco industry. If that is the case, I guess our hands are tied; there is nothing we can do. Then we are unfortunately on the treadmill of coming back to this chamber time and time again, looking at and speaking to such innovative pieces of legislation as Bill 49, An Act to amend the Tobacco Tax Act.

12:30 p.m.

I know all of us in this chamber are looking with great interest to see what our new Minister of Agriculture and Food (Mr. Riddell)—he is not so new any more—will be doing specifically for the tobacco farmers. I will be interested because, as I indicated, there are some tobacco farmers in my community. I will be interested to know if there will be a whole new policy development with regard to bringing in, not the continued legislation we see before us, but a long-term strategy that will allow tobacco farmers some kind of option; either a transition to get out of the tobacco industry or, if they want to continue in the tobacco industry, a program to ensure they will be entitled to the standard of living that any farmer should expect in Ontario.

I can see how interested the Deputy Speaker is in my results. The Treasurer and the Minister of Education were busily making notes. I know they

will be responding to some of my concerns later on in the debate; if not now, within a couple of weeks. Their attention will be on different matters, such as the new leader of the great Ontario Conservative Party.

My concerns and thoughts about Bill 49, An Act to amend the Tobacco Tax Act, might be set aside, but I know that before this coalition government ends, it will address these concerns in some manner. Before the end of this government, I will be in my place here looking across at that government. I will see such legislation as Bill 49, and I will see something eerie on those Liberal benches. I will see a corpse strung up, twisting in the wind, and that corpse will be winking.

Mr. Mitchell: I almost said I am pleased to be able to speak on Bill 49, but it is really with some regret that I am standing to speak on An Act to amend to the Tobacco Tax Act. In a way, I am somewhat pleased that the member for Durham East (Mr. Cureatz) raised the point of the yellow headlights on the Treasurer's automobile.

With this bill and with all the other bills that have come out of this budget—perhaps I am judging wrongly—I see a government that made many promises in coalition with the New Democratic Party, which claims to be the protector of the people's purse; I see two parties that appear to have been able to suddenly forget the very concerns they expressed in this House many times when other budgets were presented.

I have heard a lot of people say the role of the opposition is to criticize everything that is done. Quite honestly, from my point of view sitting as a member in this House, if there were something to shout about and support, I would be the first to do it. Bill 49, however, is symptomatic of how the Liberal government intends to go. Its members have forgotten what it is like to be on a low or fixed income. They have forgotten how it feels to find themselves—

Mr. Grande: I do not believe this.

Mr. Mitchell: What is the member for Oakwood laughing about? Has he forgotten too? He has forgotten because he has joined with the Liberals.

Mr. Grande: I do not believe what the member is saying.

The Deputy Speaker: Will the member for Carleton please address his comments to the chair?

Mr. Mitchell: This tax may not be great in itself. The additional tax on gasoline may not be great in itself, nor may the increase in income

tax, but it becomes a very noticeable effect when they are all put together and taken out of the pocket of the low-income earner.

I want to ask the Treasurer this, for example. If he goes to the bank in the morning to put some money into his pocket for the day or for the week, how quickly can he tell me at the end of the day where that money has gone? That is how the low-income earner is when he tries, at the end of the year, to figure out where all his money has gone. All he knows is that when he starts filling out a piece of paper relating to his income tax, he suddenly discovers he has paid out a lot of money, albeit in small amounts, but he has paid it out, in this case in the tobacco tax. As well, when we get to the Gasoline Tax Amendment Act, he may find he is not able to take his family out as many times as he would want to because of the price of gasoline.

What are we facing here? We are facing two lies. No, I am sorry; I withdraw that. We are seeing two misleading situations here where they have led the public to believe they are doing away with a bad tax and are going to replace it with something more palatable. What they have done is they have effectively increased the taxes on gasoline and tobacco. As well, they have hammered the ordinary citizen, particularly the first-time home buyer.

I was amazed at the position of the members of the New Democratic Party on the land transfer tax. They are the people who always have expressed concern, yet suddenly they are being extremely quiet about all these attempts to take more money out of people's pockets, and particularly the pockets of the low-income earner.

I did not intend to speak too long, I do not intend to speak as long as my colleague the member for Durham East did because another colleague of mine wishes to speak on this.

Hon. Mr. Ruprecht: Tell us the good parts.

Mr. Mitchell: Tell you what good parts, Tony? Listen, as I said earlier, we would be pleased to support it if there were something positive here.

The Deputy Speaker: We have had enough calling other members by their surnames and their first names.

Mr. Mitchell: The member for Parkdale (Mr. Ruprecht) then perhaps, Mr. Speaker.

In any event, they are fooling the public by this budget, by this act, by the Gasoline Tax Act and by the Fuel Tax Act. I think it is regrettable. I came into this House willing to see, willing to accept and willing to give them a chance, but it is

not there and it is not deserved. Therefore, I must urge everyone not to support not only Bill 49 but also all those to follow.

Mr. Villeneuve: I too wish to address this rather sad situation, which is creating a problem for farmers. The basic producer in this province is going through some very difficult times, and this is but one more nail in that coffin that will be sending many of our basic producers, our farmers, to the depth of economic doldrums in which they are living right now. It is probably the worst type of economic situation we have seen since the days of the Depression.

The new tobacco tax abandoned the Liberal promises of many years, not just those promises which were made prior to May 2. During that election campaign, the Liberals promised to use at least one per cent of tobacco tax revenue to develop new crops, new markets and to help develop alternative crops to tobacco.

12:40 p.m.

We realize the consumption of tobacco products is declining. I am a reformed pipe smoker of slightly more than two years, and it has not been easy. However, the cost of these things does probably create the idea that one should discontinue smoking. That does not solve the problems of the industry. The problems of the industry are that its products, which create many jobs in the tobacco-growing areas, are leaving gradually and slowly, never to return. Therefore, we must remember that these farm families, both those who own the land and those who work at harvesting and producing these crops, are also going to be without their traditional mode of earning their livings. We are talking of an effect in the range of \$5.61 million in this fiscal year. The budget promised nothing. The only help, if it could be called that, was a transaction fund to pay the farmers to leave farming.

The new tax will bring slightly more than \$8 million to the coffers of Ontario. To replace that, the Treasurer has promised a \$6-million fund, which the Minister of Agriculture and Food spoke of yesterday, to be allocated to assist and relieve the situation to some degree for those people who are being forced out of the industry.

It goes totally against what the Treasurer has said over the many years when he was at least lending some credence to the belief that he was attempting to help agriculture. He is siphoning \$8.8 million from the industry and returning \$6 million. When the people of Ontario went to the polls on May 2 and gave the government some additional seats, I do not think that is what they expected it to do.

The Minister of Agriculture and Food is a different man than he was when he sat on this side of the House. He has created a situation in rural Ontario that leaves a large number of people concerned about their future.

A few days before the budget, the agriculture minister told the House that tobacco farmers would be pleasantly surprised by the budget provisions. It is obvious they are not at all pleasantly surprised. The government is simply going to the well and taking more dollars out of their pockets than this tax is giving back from the coffers of Ontario.

The Ontario Federation of Agriculture calls the small increase in the provincial government tobacco tax insensitive and very pathetically timed. The \$8.8-million additional burden that will be borne by the tobacco producers in Ontario is not being returned to them.

The federal government at least recognizes the dilemma to some degree. It has announced it is going to offer tobacco growers the opportunity to borrow more interest-free money against the crop they now have in storage. The cash advances will come due when the crop is sold. The offer is for up to \$90 million of interest-free funding. At least they recognize and are trying to alleviate the situation. They are not compounding the problem.

When not long ago in this very chamber the Minister of Agriculture and Food answered a question regarding the tobacco industry, he said: "I have had many talks with the Treasurer as he gets ready for this budget to make sure we are not going to put an undue burden on the tobacco growers of this province. I do not know what is in the budget, but when it comes out I think the member will be pleasantly surprised, as will be the tobacco growers, in connection with the announcement that will be made." History has now come to fruition and the tobacco industry and the 2,000 or so growers in that industry are not very pleased.

I will conclude my remarks—Mr. Speaker, you have sent me a short note—

Mr. Speaker: I have?

Mr. Villeneuve: Your predecessor in the chair, the Deputy Speaker, sent me a short note and my colleagues—

Mr. McCague: On a point of order: I would not want the member to accuse you of doing something you did not do, Mr. Speaker. I sent the note.

Mr. Speaker: Thank you.

Mr. Villeneuve: I thank my colleague. I did not recognize his signature. I do not know

whether he is in the legal profession or not, but he signs like a lawyer.

Thank you for this opportunity, Mr. Speaker, to address this rather depressing and sad situation in which equity that was earned by rural Ontario is being gradually chipped away and is going back to the coffers of the province instead of to the farm lands of this province.

Hon. Mr. Nixon: I am very proud this bill removes the onerous ad valorem 45 per cent tax from tobacco.

The member for Lincoln (Mr. Andrewes) said it best. In his remarks he indicated that if the Conservative ad valorem tax had remained there would have been an additional \$170 million of revenue extracted from the tobacco farmers and from the sale of tobacco under those circumstances.

It is difficult to determine whether the opposition feels that tobacco is now overtaxed or undertaxed. I guess it is the function of now having two writers hired for the use of the caucus members, because their positions are diametrically opposed.

The new tax levy is precisely right. I hope objective thinking members on all sides will agree and, therefore, support it. I do, however, want to align myself with members on all sides who have pointed out the substantial economic problems faced by the tobacco farmers.

We should not get the idea this industry is about to be wiped out. I do not believe that will happen. It is still a strong and resilient section of the agricultural community, but it is under tremendous pressures. One of the more serious pressures has been the tax on tax with the ad valorem approach to taxation taken both federally and provincially, each one ratchetting the other up. This could not go on. That is why this bill specifically, and as its basic principle, removes the ad valorem concept.

The amount of additional tax is significant, but the members who are worried about my future, political and otherwise, will be glad to know the Ontario Flue-Cured Tobacco Growers' Marketing Board has indicated it can see good reason for this change. The tobacco auctions remain closed and the tobacco farmers have a vintage crop of 170 million pounds which, according to objective assessment, cost them \$2.20 a pound to produce.

So there are problems there when those people in the manufacturing industry, who are normally expected not only to buy the crop for manufacturing and home consumption but also to look after the export of high-quality Canadian leaf, have so

far not been able to undertake that latter responsibility. The problem does not go away with the passage of this bill, but I believe it will help it do so. I now ask the House to unanimously support it.

Motion agreed to.

Bill ordered for committee of the whole House.

Hon. Mr. Nixon: Mr. Speaker, for the convenience of a couple of members may I ask that we revert to motions?

Mr. Speaker: Unanimous consent is required. Do we have unanimous consent?

Agreed to.

MOTION

PRIVATE MEMBERS' PUBLIC BUSINESS

Hon. Mr. Nixon moved that Mr. Laughren and Mr. McClellan exchange places in the order of precedence for private members' public business.

Motion agreed to.

12:50 p.m.

The Honourable the Lieutenant Governor of Ontario entered the chamber of the Legislative Assembly and took his seat upon the throne.

ROYAL ASSENT

Hon. Mr. Alexander: Pray be seated.

Mr. Speaker: May it please Your Honour, the Legislative Assembly of the province has, at its present sittings thereof, passed certain bills to which, in the name of and on behalf of the said Legislative Assembly, I respectfully request Your Honour's assent.

Assistant Clerk: The following are the titles of the bills to which Your Honour's assent is prayed:

Bill 8, An Act to amend certain Ontario Statutes to conform to section 6 of the Canadian Charter of Rights and Freedoms;

Bill 14, An Act respecting the Enforcement of Support and Custody Orders;

Bill 27, An Act to amend the Municipal Elections Act;

Bill Pr1, An Act to revive Famee Furlane of Hamilton;

Bill Pr2, An Act respecting the Historic Vehicle Society of Ontario;

Bill Pr5, An Act respecting the Pauline McGibbon Cultural Centre;

Bill Pr6, An Act respecting the City of St. Catharines;

Bill Pr10, An Act respecting the City of Niagara Falls;

Bill Pr13, An Act to revive The Central Pipeline Company, Limited;

Bill Pr14, An Act to revive Agricultural Anhydrous Ammonia Co. Limited;

Bill Pr16, An Act respecting the Canadian National Exhibition Association;

Bill Pr18, An Act respecting the City of Cambridge;

Bill Pr20, An Act respecting The Peterborough Civic Hospital;

Bill Pr21, An Act respecting Charity House (Windsor);

Bill Pr23, An Act respecting the Enoch Turner Schoolhouse Foundation.

Clerk of the House: In her Majesty's name, the Honourable the Lieutenant Governor doth assent to these bills.

The Honourable the Lieutenant Governor was pleased to retire from the chamber.

The House adjourned at 12:56 p.m.

APPENDIX

ANSWERS TO QUESTIONS IN ORDERS AND NOTICES

ADULTS' AND CHILDREN'S SERVICES PROGRAM

72. Mr. Villeneuve: Would the Minister of Community and Social Services provide the following information regarding schedule II facilities in the ministry's adults' and children's services program: (a) the number of approved homes funded by the ministry in the 1984-85 fiscal year; (b) the number of approved homes funded by the ministry in the current fiscal year (1985-86); (c) the number of approved homes the ministry expects to fund in the 1986-87 fiscal year or, if not available, the estimated increase/decrease in the number of approved homes for the 1986-87 fiscal year; (d) the number and locations of approved homes operating in the French language in the 1984-85 and 1985-86

fiscal years and the anticipated number of such homes in the 1986-87 fiscal year and the locations of the approved homes to be added/deleted; (e) if different from (d) above, the numbers and locations of approved homes capable of operating in the French language for the 1984-85 and 1985-86 fiscal year and the number and location of any such homes as may be added/deleted in the 1986-87 fiscal year; (f) the same data as in (a) to (e) above regarding facility-operated community residences? [Tabled October 22, 1985]

Hon. Mr. Sweeney: There are currently 11 schedule II* facilities in the province; of these, six operate approved homes or community residences.

	Approved Homes		Community Residences	
	1984-85	1985-86	1984-85	1985-86
Cochrane-Timiskaming Resource Centre	0	0	1	1
Oaklands Regional Centre	1	1	0	0
Rygiel Home	0	0	7 apts.	8 apts.
	0	0	4 houses	4 houses
Sunbeam Home	0	0	1	1
Plainfield Home	0	0	1	1
Ongwanada Hospital	9	9	5	7
Total	10	10	19	22
Grand total 1984-85 = 29				
1985-86 = 32				

Within these settings are the following number of beds:

	Approved Homes Beds		Community Residences Beds	
	1984-85	1985-86	1984-85	1985-86
Cochrane-Timiskaming Resource Centre			6**	6**
Oaklands Regional Centre	1	1		
Rygiel Home			44	47
Sunbeam Home			5	5
Plainfield Home			8	8
Ongwanada Hospital	14	14	34	46
Total	15	15	97	112
Grand total 1984-85 = 112				
1985-86 = 127				

Only the Cochrane-Timiskaming Resource Centre operates community residences or approved homes for francophone clients.

There is no anticipated change in the approved home figures for 1986-87, but there will probably be a slight increase in the number of

community residence beds as the Ongwanada Hospital continues its redevelopment program.

* = These figures pertain only to those programs under the auspices of schedule II facilities. They do not include programs that are run under other sponsorships.

** = Bilingual.

EDUCATION FUNDING

74. Mr. Allen: Would the Minister of Education please provide in detail the criteria used to determine the level of the grant supplied public boards of education to compensate them for the ongoing costs of enrolment decline due to the completion of separate school funding, and the criteria used to establish the level of grant supplied in cases of normal enrolment decline, and explain precisely why these two grants differ in value? [Tabled October 23, 1985]

Hon. Mr. Conway: A. Grant for enrolment shift:

The secondary school panels of boards of education are eligible for a special grant in respect of pupils who have transferred, effective September 1, 1985, to a coterminous Roman Catholic separate school board. This grant is designed to cover the costs that are not immediately transferable to the Roman Catholic separate school system. For the period from September to December 1985, the grant has been established at a level equal to 22 per cent of the secondary school grant ceiling, or \$720.50 per pupil of average daily enrolment, increased by the board's grant weighting factor.

The board plans and impact statements submitted by the boards to the Commission for Planning and Implementing Change in the Governance and Administration of Secondary Education in Ontario provided for the transfer of teaching staff from the public to the separate boards. One of the conditions of approval of the board plans was that the separate school boards were required to hire teachers from the public board in proportion, if necessary, to the loss of pupils. The Ministry of Education was advised by the planning and implementation commission that the process identified above was carried out and that all teachers were hired.

The level of grant for 1985, therefore, has been established at 22 per cent of the grant ceiling to cover only noninstructional costs such as heating, maintenance and administration. It assumes that the public boards will have reduced instructional costs in proportion to the loss of pupils.

It is intended that the grant for enrolment shift be continued in future years to cover costs that cannot be transferred to the separate system. The ministry believes that there is a need to relate the level of assistance directly to the actual circumstances experienced by the individual board vis-à-vis protected teachers, en bloc transfers, transfer of school facilities, etc. It is expected, therefore, that boards will continue to receive assistance in 1986 and future years until such time as the costs related to the shift of pupils can be transferred to the separate school system or eliminated.

B. Regular declining enrolment assistance:

The grant made available to school boards for normal declining enrolment is and has been part of the regular grant formula for a number of years. It is designed to offset both instructional and noninstructional costs that cannot normally be reduced during the first and second years of the enrolment decline. The grant is calculated on a formula basis and is applicable equally to all school boards in the province. In no case is the grant for any given school board tied to the particular cost reductions experienced by the board.

The level of grant on a per pupil basis in the first year of the enrolment decline is as follows: 60 per cent of the grant ceiling for boards having fewer than 4,000 pupils (60 per cent of \$3,275 = \$1,965); between 60 and 30 per cent of the grant ceiling for boards having between 4,000 and 14,000 pupils; 30 per cent of the grant ceiling for boards having more than 14,000 pupils (30 per cent of \$3,275 = \$982.50).

The level of grant in the second year of the enrolment decline is equal to one half of the amounts identified above. In each case, the amounts are increased by the board's grant weighting factor.

It is expected that by the third year, the board will have reduced all of its costs, both instructional and noninstructional, and will have fully accommodated the decline in enrolment. There is no grant assistance in the third and subsequent years.

C. Reasons for a difference in grant:

The rationale for the assistance provided through the regular declining enrolment provisions is that school boards are unable to react fast enough in terms of reducing staff and facilities in response to demographic changes. The regular declining enrolment provisions are made available on a formula basis, applicable in the same manner to all schools, to assist the

boards to accommodate reductions in enrolment over a two-year period.

The grant for enrolment shift is intended to be board-specific—reflecting individual board circumstances, which will vary greatly depending on the type of transfers, number of teachers on the designated list, transfer of facilities, etc.—and will continue for an unspecified period, until the boards have been able to accommodate fully the transfer of both instructional and noninstructional costs. The funding for enrolment shift provided in the period from September to December 1985 assumes that the boards are able to react immediately with regard to a reduction in instructional staff proportionate to the loss of pupils since this is based on preplanning and agreements between the two boards. It does assume, however, that the boards have not been able to react in terms of physical facilities and administrative overhead costs.

Enrolment shift is usually more concentrated than regular enrolment decline (larger numbers of pupils in specific grades and specific schools; e.g., grade 9). For example, with en bloc transfers, most of the costs, instructional and noninstructional, will be transferred, and it would be entirely inappropriate to apply the regular declining enrolment provisions in such circumstances.

In the case of regular declining enrolment, school boards may have to declare teachers and other personnel redundant and in some cases dismiss staff. In the case of enrolment shift, the teachers and other personnel are protected, either with employment with the separate board or remaining in the public boards.

It should be noted that the ministry indicated in its memorandum to chairmen of school boards, dated March 29, 1985, that the regular declining enrolment provisions would not apply to pupils lost as a result of separate school extension. It was indicated in the letter that a special provision would be introduced in 1985 in recognition of the fact that there would be noninstructional costs that may not be immediately transferable to the separate school system in September 1985.

ONTARIO DAIRY HERD IMPROVEMENT CORP.

76. Mr. Treleaven: Would the Minister of Agriculture and Food release to this House the status of the Ontario Dairy Herd Improvement Corp.? Specifically, would the minister address the problem of test results for dairy farmers, which are inconsistent with the results obtained from the record of production tests, and guaran-

tee to this House that all past problems have been resolved and that farmers can now be confident in the results received from the ODHIC? [Tabled October 23, 1985]

Hon. Mr. Riddell: The Ontario Dairy Herd Improvement Corp. is a private, producer-run corporation that operates milk recording programs for Ontario producers. My staff has thoroughly evaluated the complete investigation of this issue carried out by the corporation. The corporation's quality control system clearly shows that ODHIC's laboratory results have been accurate throughout and remain so.

ODHIC sent information regarding this issue to all producers on the program, with a procedure for submitting concerns to the corporation. The majority of concerns raised have been resolved by a small-producer committee and the laboratory testing program has been and continues to be accurate.

I feel that confidence in the total program will continue to grow, now that former record of performance herds are being laboratory tested. All provinces in Canada, plus the federal program, are being converted by 1986. This should ensure that field test results will not cause concerns in the future. The United States, western Europe and Ontario have carried out laboratory testing for many years.

Farmers can have confidence in the testing programs carried out by the corporation laboratories and in the corporation itself.

EXTENDED CARE BEDS

77. Mr. Treleaven: Would the Minister of Health inform this House as to whether the 25 extended care beds recently awarded to Woodingford Lodge in Woodstock by the Ministry of Community and Social Services are to be considered as part of the 50 extended care beds awarded to Oxford county last April by this ministry, and if not, would the minister inform this House as to when Oxford county might expect to see the 50 extended care beds it was promised? [Tabled October 23, 1985.]

Hon. Mr. Elston: The April allocation included 615 beds for southwestern Ontario; 193 of those beds were earmarked for the Thames Valley area. Advice from the Thames Valley District Health Council has included a recommendation that 50 of those 193 beds be awarded within Oxford county.

The overall April allocation is now under review. Once that review is complete, we may move from bed allocation to actual bed awards. The review is expected to be completed shortly.

The recommendation of the district health council (for 50 beds to Oxford county) is based on the needs assessment for extended care beds in the area. Since that needs assessment predated the recent award of 25 extended care beds by the Ministry of Community and Social Services, one half of the extended care beds need within Oxford county has been met through the conversion of existing bed stock in Woodingford Lodge.

INTERIM ANSWER

46 to 71. Mr. Baetz et al: Hon. Ms. Caplan—The information requested will require additional time to prepare. A response should be available by December 7, 1985.

RESPONSES TO PETITIONS

OBJECTIONS TO FILM

Sessional paper 176, re the film *Hail Mary*.

Hon. Mr. Kwinter: The Ontario Film Review Board has jurisdiction over all films publicly exhibited in the province. However, its authority to prohibit the exhibition of a film or to require deletions from a film is limited by the regulations made under the Theatres Act. These regulations, which are based on community standards, authorize censorship of scenes involving such material as the sexual exploitation of children or degrading violent pornography. They do not provide the legal authority to prohibit blasphemous or irreligious presentations.

I have noted the sincere expressions of concern by the petitioners over the film's treatment of matters of religious faith. This petition will be considered by the Ontario Film Review Board in its regular review of the community standards that are the basis for the regulation.

SALE OF BEER AND WINE

Sessional paper 177, re sale of beer and wine in general stores.

Hon. Mr. Kwinter: The government is interested in pursuing the possibility of selling beer and wine in grocery stores. At the same time, we are aware of the wide range of views held by Ontarians on how these products should be distributed and sold.

In accordance with the Premier's statement to the Legislature of July 2, 1985, I have been

engaged in an extensive consultation process, including meeting with and receiving submissions from numerous groups and organizations having an interest in this issue.

I have noted the expressions of concern by the petitioners over the sale of beer and wine in general stores, and I will consider this petition as part of the consultation process.

AMALGAMATION OF TOWNSHIPS

Sessional paper 188, re Blind River amalgamation.

Hon. Mr. Grandmaitre: A new township of the North Shore was put in place by Ontario Municipal Board order effective November 1. A new council will be elected November 12 and take office December 1. Under existing legislation, the concerned residents of the unorganized area between Blind River and the North Shore are free to investigate and compare the benefits of joining either municipality and apply to the OMB for annexation thereto.

I am reviewing the situation in the town of Blind River in regard to any annexation of the adjacent unorganized lands. To date, the town has not applied for an annexation via either the OMB or legislative methods. Should the town council request annexation legislation, you may be assured I would consider any alternatives submitted by the residents of the subdivisions near Blind River before making my recommendations to cabinet.

NOISE BARRIERS

Sessional paper 191, re Conestoga Expressway noise barriers from Frederick Street to Ottawa Street.

Hon. Mr. Fulton: The Ministry of Transportation and Communications has identified a number of sites across the province where noise barriers are required. These sites, including the Conestoga Expressway between Frederick Street and Ottawa Street, have been prioritized on a "worst case first" basis and will be addressed as quickly as available funds will permit.

INTERIM RESPONSE

Sessional paper 178: Hon. Mr. Elston—The response to sessional paper 178 will be provided on or about November 28, 1985.

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Andrewes, P. W. (Lincoln PC)
Bradley, Hon. J. J., Minister of the Environment (St. Catharines L)
Brandt, A. S. (Sarnia PC)
Breagh, M. J. (Oshawa NDP)
Conway, Hon. S. G., Minister of Education (Renfrew North L)
Cooke, D. S. (Windsor-Riverside NDP)
Cureatz, S. L. (Durham East PC)
Edighoffer, Hon. H. A., Speaker (Perth L)
Elston, Hon. M. J., Minister of Health (Huron-Bruce L)
Foulds, J. F. (Port Arthur NDP)
Fulton, Hon. E., Minister of Transportation and Communications (Scarborough East L)
Gillies, P. A. (Brantford PC)
Grande, T. (Oakwood NDP)
Gregory, M. E. C. (Mississauga East PC)
Grossman, L. S. (St. Andrew-St. Patrick PC)
Guindon, L. B. (Cornwall PC)
Harris, M. D. (Nipissing PC)
Kerrio, Hon. V. G., Minister of Natural Resources and Minister of Energy (Niagara Falls L)
Kwinter, Hon. M., Minister of Consumer and Commercial Relations (Wilson Heights L)
Leluk, N. G. (York West PC)
Mackenzie, R. W. (Hamilton East NDP)
McCague, G. R. (Dufferin-Simcoe PC)
McClellan, R. A. (Bellwoods NDP)
Mitchell, R. C. (Carleton PC)
Morin-Strom, K. (Sault Ste. Marie NDP)
Nixon, Hon. R. F., Treasurer of Ontario and Minister of Economics and Minister of Revenue
(Brant-Oxford-Norfolk L)
O'Neil, Hon. H. P., Minister of Industry, Trade and Technology (Quinte L)
Peterson, Hon. D. R., Premier and President of the Council and Minister of Intergovernmental
Affairs (London Centre L)
Pollock, J. (Hastings-Peterborough PC)
Rae, R. K. (York South NDP)
Ruprecht, Hon. T., Minister without Portfolio (Parkdale L)
Scott, Hon. I. G., Attorney General (St. David L)
Shymko, Y. R. (High Park-Swansea PC)
Swart, M. L. (Welland-Thorold NDP)
Treleven, R. L., Deputy Speaker and Chairman (Oxford PC)
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Hansard

Official Report of Debates

Legislative Assembly of Ontario

First Session, 33rd Parliament
Monday, November 18, 1985

Speaker: Honourable H. A. Edighoffer
Clerk of the House: R. G. Lewis, QC




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LEGISLATIVE ASSEMBLY OF ONTARIO

Monday, November 18, 1985

The House met at 2 p.m.

Prayers.

SUPPLEMENTARY ESTIMATES

Hon. Ms. Caplan: I have a message from the Honourable the Lieutenant Governor signed by his own hand.

Mr. Speaker: Lincoln Alexander, the Lieutenant Governor, transmits supplementary estimates of certain additional sums required for the services of the province for the year ending March 31, 1986, and recommends them to the Legislative Assembly, Toronto, November 18, 1985.

LEGISLATIVE PAGES

Mr. Speaker: I would ask all members to join me in welcoming the second group of legislative pages to serve in the first session of the 33rd Parliament, 1985. They are as follows:

Benjamin Barnes, Huron-Bruce; Charles Besko, York West; Angeline Blais, Prescott-Russell; Christopher Brackley, Eglinton; Rosanna Connor, Northumberland; Julie-Ann Francis, Scarborough East; Mary-Josephine Glassco, Hamilton East; Caroline Guindon, Cornwall; Shannon Hendel, Kitchener-Wilmot; Laura House, Lincoln; Basy Koutetes, Scarborough West;

David Kruse, Oxford; Shane O'Neill, London North; Scott Robertson, Victoria-Haliburton; Allison Ryckman, Don Mills; Robert Schmidt, Parry Sound; Richard Sloan, Sault Ste. Marie; Natasha Taylor, Quinte; Monica Tory, Sarnia; Graeme Turner, Lanark; Jeffrey Wells, Durham West; Lennie Wiltenburg, Kent-Elgin, and Jill Zelmanovits, York North.

Please join me in welcoming our new pages.

VISITOR

Mr. Speaker: I would also call the attention of the House to our visitor at the table: David Hamilton, Clerk of the House of the Northwest Territories, who is visiting us under the attachment program that has been initiated in the Clerk's office.

TELEVISION IN LEGISLATURE

Mr. Speaker: I would like to take another moment or two of the members' time because

this afternoon we begin a four-week trial of gavel-to-gavel video coverage of proceedings of the Legislature.

The purpose of this trial is to test the various components that make up a video system and to use the results of these tests in the design of a permanent electronic Hansard system.

Coverage will begin today with question period and will end when the House rises each day. There will be five cameras in operation at all times, one in each of the boxes behind the members' benches and one in the centre of the Speaker's gallery. The centre camera will remain stationary, but the location of the boxes will change during the trial period in order to test various camera angles. A temporary control room has been set up in an office behind the Speaker's gallery, where the signal coming from these five cameras will be mixed.

The trial will simulate as closely as possible the conditions under which the permanent system will operate. However, there have been no enhancements to the sound system; all cameras will be manned rather than electronically controlled. The purpose of the trial is to experiment; the output will not always necessarily be of broadcast quality. For this reason, the tapes produced will be for internal evaluation only. Ten copies of the entire coverage will be taped. Arrangements will be made by the staff for members of the House, the press gallery and other interested persons to view the output.

I would like to outline very briefly the elements of the electronic Hansard system that will be examined during this four-week period. First, we will be testing and evaluating the coverage guidelines formulated by the standing committee on procedural affairs and agencies, boards and commissions and adopted by the Board of Internal Economy and this House. We have started from the premise that the coverage should be, in the words of the committee's report, "an accurate, factual and coherent record of the proceedings of the assembly which is understandable to the viewing public." Various techniques available through modern video technology will be tested in order to determine the most effective means of meeting this goal.

Members have undoubtedly noticed that the lighting in the chamber was altered during the weekend. The bulbs in the chandeliers have been changed and four temporary brackets have been added in each corner of the chamber to provide greater levels of indirect lighting. Lighting levels will be altered throughout the trial period in order to arrive at the optimum level that balances the quality of the picture with the comfort of the members.

On your desks you will find 20 lighting evaluation forms. I would ask each member to take the time during the next month to assess the lighting on various days. These forms will be collected from your desks at the end of the trial period. We are acutely aware that the chamber is the work place of members and that the impact of the light intensity, glare and heat on the comfort of members is an extremely important factor in determining the design of the permanent lighting system.

In order to obtain further input from members during the trial period, a video monitor has been set up in each of the members' lobbies. Beside each monitor are evaluation forms that ask you to comment on the technical quality of the picture and the coverage being tested at a particular time. I would strongly urge all members to stop frequently on their way through the lobbies and evaluate the end product.

A monitor and a set of evaluation forms have also been placed in the middle section of the Speaker's gallery and in the press gallery lounge. I would similarly encourage members of the gallery to assist us in providing their expert views on both lighting levels and coverage.

2:10 p.m.

STATEMENTS BY THE MINISTRY

LEADERSHIP CAMPAIGN

Hon. Mr. Peterson: I rise on this historic occasion to say to my colleague opposite, the leader of the Opposition (Mr. F. S. Miller), who I gather is going to be officially replaced—replaced technically but never in our hearts—on Thursday next, a very sound thanks on behalf of the members of our party and the members of this House for his great and selfless consideration and leadership in this Legislature for many years past.

We have all come to know the honourable member well during the past years. I dare say there is not a personally more popular member of this House. We respect his collegiality and courage in dealing with a situation that is not easy for anyone in political life. I want to use this

opportunity to extend him congratulations. He will go with our respect. I assume he will continue to serve for a long time here and I hope he will allow me occasionally to depend on his advice.

It is a reality that when one sits in the Premier's office, one sits in a very lonely chair on occasion. Only those who have sat there themselves have some understanding of the difficulties and the pressure. Just as I rely on his predecessor from time to time for advice, I hope I can rely on him for his advice as well. For our part, we will always be here to buy a raffle ticket, when necessary.

At the same time, because I am in an expansive mood today, may I congratulate the new leader of the Progressive Conservative Party, the member for St. Andrew-St. Patrick (Mr. Grossman), for his valiant fight over the weekend. He has achieved a goal he fought long and hard for and is now charged with a responsibility. Like the honourable leader of the New Democratic Party, the leader of the Conservative Party and me, he will find many new experiences in store for him.

Obviously, he fought intelligently and hard over a long period of time, and we are here to say we wish him well. We all have a great responsibility to make this parliament, particularly to make a minority situation, work. I am sure the things that unite us will be far bigger than the things that divide us, as we are all determined to bring good government to the people of Ontario.

Because I enjoy political conventions—and I enjoy leadership conventions as long as I am not in them—may I say how much I respect the member for Don Mills (Mr. Timbrell) and the member for Cochrane South (Mr. Pope) for their performances this weekend.

There is no question that the member for Don Mills, who made the race close and exciting, brought great definition, clarity and leadership skills to that race. He deserves to be complimented for his courage and his tenacity.

To the member for Cochrane South, who brought an innovative campaign, who brought dedication to opening up the party and the processes, and who spoke so eloquently for an area of Ontario that has been forgotten for some time, may I say I believe he distinguished himself and his party extremely well.

Let me add one other personal note. Having gone through two leadership conventions and knowing the difficulty—both the joy of victory and the pain of defeat—let me extend my personal congratulations to the wives who were involved

in this campaign. Carole Grossman, Linda Pope and Jan Timbrell showed great courage, dignity and support for their spouses in this campaign. All of us in political life, male and female, recognize that without the support of our spouses, who give unselfishly to the political process, we would not be able to make the kind of contribution we do here. Those three women conducted themselves with great dignity and class, and were a credit not only to their families but to the political process as well.

Mr. Rae: On this expansive occasion, I certainly would like to join in. We are very happy with the proceedings that took place on the weekend. I hope we will be able to repeat this next week when the new leader is here. I find it a little hard making all these complimentary remarks about the member for St. Andrew-St. Patrick when he is not in the chamber. I would much prefer that he be here to hear them, since they do not come that often or that easily. I really look forward to doing that.

Let me say, though, in all seriousness, that it was a fascinating weekend for those of us who are not members of the Conservative Party, and I think probably an even more fascinating experience for those who still are.

I want to start by saying to the member for Cochrane South, who finished third, I know exactly how he feels. I felt, as I know all the members of our caucus and our party who were watching felt, that he showed enormous courage, straightforwardness and a great vitality throughout the campaign.

Je veux féliciter le député de Cochrane Sud et, naturellement, sa femme et toute sa famille pour l'effort qu'ils ont fait, tous ensemble, l'effort they made, the great drive to express the very real feelings of a number of a people not only in the Conservative Party but in all parties in northern Ontario that it is time the voice of the north was heard throughout the province. The member for Cochrane South certainly made sure that this happened.

The member for Don Mills is somebody I have known and worked with for some time both federally and provincially. He is a professional politician of enormous capability.

My own feeling for the member for Don Mills is one of respect for the kind of quality he put forward during the weekend and for the extraordinarily gracious speech he gave on Saturday evening. I do not think I have ever heard a more courageous or gracious acceptance of the verdict of a convention and will of support to the new leader. I will leave it at that. It was really a very

fine time for the member for Don Mills. He showed that there is certainly no disgrace in losing an election such as the one he lost. We all know that the close ones are the hardest to lose, but he certainly showed tremendous courage.

Concerning the member for St. Andrew-St. Patrick, as I said, we will have our own ways and means of welcoming him in the chamber when the transition does take place formally. He is a formidable politician. As the senior leader of the opposition, I welcome him to the joys of opposition. I am sure they are joys he will share with tremendous panache.

We have crossed swords on many occasions when he was a minister and when he was not a minister, but no one who has dealt with the member for St. Andrew-St. Patrick can ever underestimate his talent, his sense of the political and his sense of commitment to the public life of this province. I certainly look forward to working with him as the leader of another opposition party.

Finally, let me say to the Leader of the Opposition words that I have expressed to him privately both by correspondence and in conversation. The last year has been an unusual one for him; it has been an unusual one for me. I want him to know he has the affection, the respect and—more than just the goodwill—the very best wishes of all the members of the New Democratic Party.

Things have been said in the course of election campaigns and elsewhere that naturally reflect the heat of debate and the deep feelings in either party about our respective parties and our respective leaderships, but I say in all sincerity to the member for Muskoka (Mr. F. S. Miller) that he has continually provided a quality of friendship and a quality of goodwill in this House to me and to my family for which I want to thank him.

I hope he will be around here for a very long time indeed, but if he decides not to be or if events so conspire that he is not, he will go with our best wishes. I suspect he will be here for some time and I certainly do not intend to deliver more than one eulogy; so I am going to stop there and say to the member for Muskoka that we look forward to having him with us for many years to come.

[Applause]

2:20 p.m.

Mr. F. S. Miller: I could start out by asking, where were you all when I needed you?

How lucky we are to live in a country where governments change peacefully and where leaders are interchanged peacefully. There are many

parts of the world that would envy our ability to do that. Whether we like change or do not like change, thankfully it is done peacefully in this country.

I listened to the Premier's speech. He said it was not too much fun to be in these leadership races. I found it a lot easier to watch over the weekend than I did last January. I agreed with the member for Don Mills when he said it had been a remarkable year, one in which many changes had occurred.

People talked to me about the future, asking, "Could we beat the Liberals in an election with the polls being the way they were?" I said, "If you had asked"—and I believe somebody did ask him—the current Premier what he thought of the polls on March 25, he would have said, 'They are pretty formidable,' and they would have been hard to beat." Therein lies the hope we have on this side; that polls have been proved to change relatively rapidly and could change again.

I could not help but think of the words of Tennyson:

The old order changeth, yielding place
to new;

And God fulfils himself in many ways,
Lest one good custom should corrupt
the world.

That is one I learned back in high school somewhere.

I am delighted to realize that the Premier has given me his public promise, on behalf of my Rotary Club, that he and all his ministers and the back-benchers will co-operate; certainly mine will. That is a commitment I have. I thank the Premier for his gracious words. The time I have to sit on this side of the House is very much in his hands and I trust it will be a reasonably long time before we face and test the polls again.

In this parliament and parliament in general, while it may seem cantankerous and at times even frivolous to those who watch us on television or in the House for one brief day and do not understand the dynamics of a parliament, truly we are only as good as the members elected on all three sides of this House. I would say in all honesty, after 14 years in my seat as back-bencher, minister and leader, that Ontario is again blessed with high-quality people standing up for the principles they believe in and running for the parties they support. We have been well served by those.

Evidence of that was seen in our leadership race over the weekend. It was pretty close—19 votes, 10 people. That is all that made the difference. In a democracy, one accepts the will

of the extra per cent. Our party will come out of that weekend renewed, refreshed and reunited.

The three members who offered themselves are an example of the bench strength we have had in this party. They are all extremely competent, hard-working people, backed by their families. Most people would not believe the hours we all put in, whether we are in government or on this side. The members are beginning to realize the demands of that side, I am sure, right across the House. We are very fortunate to have the kind of people we have on this side.

I congratulate our leader and I will do so later on this week. He is a dynamic, competent, intelligent, perceptive young man. He will bring with him an understanding of the needs and the problems of this province, and a drive and energy that is hard to equal. With him, my other two colleagues, the member for Don Mills and the member for Cochrane South, will bring the experience they have gained, through two leadership races in one case and one in the other, to sit on this side as a strength in our party, hopefully to earn the way back. Thank you.

DISASTER RELIEF

Hon. Mr. Peterson: I wish to inform the House today of the assistance which the Ontario government will provide immediately to help families recovering from the terrible natural disasters of last week in Colombia.

Honourable members will appreciate that it will be many weeks before the full extent of this tragedy is known. At this time we are all painfully aware of the mounting death toll, estimated at 25,000, following the eruption of the Nevado del Ruiz volcano, and there are fears that more eruptions could occur at any time.

The President of Colombia, Belisario Betancor, has made a worldwide appeal for assistance; likewise, the Colombian Ambassador to Canada, Dr. Jaime Pinzon, has personally made a request for help within our country.

According to the Red Cross and the Canadian embassy in Bogota, there is no immediate need for rescue or medical teams as the emergency relief efforts seem to be under control. Needed now are donations, and it is for this reason that I want to announce that the government of Ontario will make an immediate cash grant of \$250,000 to the International Red Cross through the Canadian Red Cross. This is the same amount that was recently granted to the Red Cross for Mexican earthquake emergency relief.

I want to make it clear to the House that this donation on behalf of the government is designed

to meet the short-term needs of the families of the victims in Colombia. We will be following the situation closely and will consider further financial assistance depending upon developments in the weeks to come.

AGENCIES, BOARDS AND COMMISSIONS

Hon. Mr. Nixon: I wish to make a statement on government agencies, boards and commissions.

In the past, the mandate and membership of any agency, board or commission has been in the public domain; but the absence of an accessible central listing of the vast network of ABCs has limited the availability of this information. During the election campaign, the Premier (Mr. Peterson) and all of my colleagues spoke very strongly in favour of opening up the democratic process. We spoke of openness and public accountability, and we remain firmly committed to the concept of accessible government. Since this government assumed office, I believe this pledge has been honoured.

This concept, reflected in the tabling of government polls, is upheld today as I table for the first time, a consolidated, ministry-by-ministry listing of all government agencies, boards and commissions.

This public document includes the names of every member of the hundreds of ABCs currently reporting to the government. All appointees listed in the two volumes are at present serving, or are the last serving appointees to these positions. Original and expiry dates of the appointments, as well as salaries and per diem rates, are given in the listing.

Order-in-council appointments dealing with part-time positions and per diem rates are posted outside the executive council office, room 481, main legislative building—approximately 48 hours after the order in council has been approved by cabinet and the Lieutenant Governor. Finally, a complete list of updated information on appointments to agencies, boards and commissions will be distributed once every six months.

I am confident that tabling this consolidated listing and making it available to the public through the legislative library will heighten the level of awareness of the democratic process and will honour our ongoing commitment to open government in Ontario.

LATVIAN INDEPENDENCE DAY

Hon. Mr. Ruprecht: In the gallery today are distinguished members of the Latvian National

Federation in Canada who participated in the Latvian Independence Day ceremonies this weekend.

For Latvian-Canadians, November 18 has special significance. It was 67 years ago when the people of Latvia founded an independent country free from the yoke of oppression. Latvians had the right of self-determination and participated fully in structuring their own future. Latvian-Canadians, who still seek these ideals for the land of their fathers, will celebrate independence day today and the Premier (Mr. Peterson) will mark this event with a special independence-day proclamation which reads:

"The province of Ontario and indeed all of Canada have developed and grown through the courage and industry of people of many nationalities who have come to this land in search of freedom and opportunity;

"Whereas we are especially grateful for the many important contributions that our citizens of Latvian ancestry have continued to make to our province since they first arrived here many years ago;

"Whereas a free, united, independent and democratic Latvian state was established 67 years ago, it is imperative for Canadians to remember that the price of our precious freedom is eternal vigilance;

"Whereas the observance of the anniversary fosters within us a deeper appreciation of freedom, liberty and democratic ideals, therefore, as Premier of the province of Ontario, I am pleased to recognize November 18, 1985, as Latvian Independence Day and commend its observance to the people of our province."

It is signed by the Premier of Ontario.

Mr. Shymko: On a point of order: I just wondered whether this was a ministerial statement—

Mr. Speaker: Yes, it was.

2:30 p.m.

Mr. Shymko: —or a point of order?

Mr. Speaker, would it be appropriate to comment? I understand that following the traditions, namely, the statement that was made on Friday, November 8, a presentation of the proclamation was not a ministerial statement but rather was highlighting a very important anniversary, the 67th anniversary of the Declaration of Independence of the Latvian people in their homeland.

I want to join my colleague the member for Parkdale (Mr. Ruprecht) to indicate that we on this side of the House welcome the proclamation that has been read and signed by the Premier

following the example set by former Premier William Davis, who signed the first proclamation on the 66th anniversary of the independence of Latvia, a precedent that I am pleased to say is followed by the present government and will be followed by future governments in Ontario.

There is no doubt that the significance of this anniversary is very important to all of us as members of a free parliament, of a society where we are ruled by the force of law and not the law of force, and as a reminder to members that the vast majority of people cherish the principles of freedom, liberty and justice that we enjoy today. May we all wish that some day the Latvian people will enjoy peace and prosperity with freedom and with justice.

DEATH OF MEMBER'S FATHER

Hon. Mr. Keyes: I rise to express the sympathy of this House to the family of one of our members, the member for Durham East (Mr. Cureatz).

When tragedy occurs, such as that which took the life of the member's father this past week, we are made even more aware of how fragile life is and how mortal we are.

To the Cureatz family goes our deepest sympathy.

Mr. F. S. Miller: We in this party were shocked at the sad and unexpected death of the member's father, particularly because of the way it occurred. Our sympathy went to him; our hearts bleed for him and for his family. We all share with him a great sense of loss.

Mr. Rae: I have already been in touch with the member for Durham East. My own family has recently been faced with a similar kind of tragedy, an accident. All I can say is it changes one's whole view of the preciousness and the fragility of life. Our hearts go out to the member and to his family. We are all thinking of him at this very difficult time.

ORAL QUESTIONS

Mr. Speaker: The Leader of the Opposition.
[Applause]

Mr. F. S. Miller: Save it, fellows. I have four days left.

Mr. Speaker, after all those kind remarks it is awfully hard to get back to the order of the day. I can simply say, enough of this lovemaking.

CREDIT RATING

Mr. F. S. Miller: This question is directed to the Premier. While we were having our slight recess last week, an event happened which may

not have captured as much attention as it deserved: The triple-A rating was downgraded. Our Treasurer (Mr. Nixon) is sitting in his seat looking a little pinker this week. I am not sure whether it is political affiliation, a trip south or embarrassment.

On this very serious matter, did the Premier take the opportunity to meet with representatives of Standard and Poor's, the rating agency, when they were in Toronto recently before the downgrading?

Hon. Mr. Peterson: The answer is no.

Mr. F. S. Miller: I find that a bit hard to accept. I can believe it, but I find it hard to accept.

I would think if one were going to talk to one's banker about whatever personal needs one had, no matter in what state one's credit rating was, one would go. It is sheer, common courtesy to do so.

I am sure the Premier has discovered that the credit rating of this province is not just a matter of balance-sheet numbers; it is very much a vision through that to the people who run the province and a confidence in them.

Mr. Speaker: Question, please.

Mr. F. S. Miller: May I ask the Premier whether a \$300-million-a-year cost was not important enough to justify his personal attention? How does he determine which people he should see and which people he should not see? Or were they perhaps not members of the Liberal Economic Advisory Forum?

Hon. Mr. Peterson: We have a very elaborate system for determining whom we will see. As the member knows, we get many requests from many people. Interestingly enough, there was no request to chat with members of Standard and Poor's or Moody's, who were both here a week ago and who met with the Treasurer, who provided all the information.

I welcome the member to come to my office and look at the system we have for meeting with people, because he will find that in the course of a month I meet with thousands of people from all walks of life and I gather their opinions on all sorts of matters. I would be very happy to share my method of how we meet with people, if that is his question.

Mr. Rae: I wonder whether it would not be in the public interest for the Premier and the Treasurer to make a public statement indicating their understanding of the basis upon which this shuffling or changing of the credit rating takes place.

Can the Premier confirm that there has been a standard practice whereby the credit rating varies according to a pretty fixed percentage figure of provincial budget that goes to servicing not the debt of any one year but the debt that has accumulated over a period of many years? Would that information not be in the public interest so the public can be informed of precisely what it would have taken, for example, to retain the triple-A rating?

Hon. Mr. Peterson: In response to the honourable leader's question, there have been several statements on this exact question. He will recall that last July 11, when the Treasurer dealt with this question in a very forthright way, there were no surprises to anyone here, surely—particularly not to those people who had gone to New York a year ago August and had gone through this whole exercise with them. He will recall that the Premier of the day went down and apparently appealed the situation or gave some assurances. I am not sure what they were, because we have never had a forthcoming statement from the previous government on that matter.

Our Treasurer dealt with that matter on July 11. He dealt with it again in a statement last week, and Standard and Poor's gave their analysis of the situation publicly last week. I am sure it was not a surprise to anyone, and they were very forthcoming. If the member has any questions about their thinking on the matter, I am not sure I can answer them all; he would have to contact them directly, but I think I have some understanding of the situation. They looked at the cutbacks in the federal transfers, which they were very worried about. They said, "There have been four years of deficits," and they registered their concern in the way we anticipated.

So there are no big surprises in this matter, even though the members opposite may be surprised.

Mr. F. S. Miller: Would the Premier agree that the event he referred to, the July 11 or 12 statement by the Treasurer in this House, the recent budget which increased our cash requirements, as they said, by \$800 million, up 25 per cent from the last fiscal year, and, in their own words, the lack of improvement in projected financial performance in fiscal 1985-86, were the reasons they lost confidence in the government?

Would the Premier also give us some assurance that the next budget is not going to see a further downgrading of our rating and a further increase in our deficit?

Hon. Mr. Peterson: With respect, I do not agree with the analysis. They refer to that 25 per cent increase, which turned out to be \$163 million, which was made up of the following, as members will recall:

First, it was made up of \$90 million in transfer payments, obligations to transfer agencies that had never been budgeted for or put in the estimates by the member's government. It was interesting. We were handed that \$90-million obligation, which we are prepared to pay because the member had legally indebted us to it, even though he did not have the courage to put it in the previous budget he had presented.

2:40 p.m.

In addition, he will recall that between May 2 and June 26 he committed about \$181 million of expenditures that had not been part of any fiscal plan and was not budgeted for. That was the kind of pressure they were talking about in those circumstances. The sound and tough-minded way the Treasurer approached the accounts of this province by writing off the bad assets and by taking a realistic view of the situation was very much admired.

This situation was not unexpected. We all knew that at the time. The forthright manner in which the Treasurer dealt with the province also was admired. He did not continue to cook the books.

Mr. F. S. Miller: With great respect, that is becoming known by the press as standard answer 1.

HYUNDAI PLANT

Mr. F. S. Miller: During the month of September, the Minister of Industry, Trade and Technology made a number of vows in respect to the proposed Hyundai plant and investment in Canada. He promised to sell Ontario. He said he would be on planes, in boardrooms, in plants, on sites to get the plant. But we did not get the plant. How come? Why did it go to Quebec?

Hon. Mr. O'Neil: I am very pleased to see that the Leader of the Opposition (Mr. F. S. Miller) has noticed I have been out travelling around the country, not only in Ontario but in other parts, to make sure we are getting investments. When I was in Korea, they told me it had been 10 years since they had seen a minister from this province. That shows how hard the previous government worked.

We would have liked to think differently but it was obvious from the beginning, on looking at such things as a press release dated August 29, which read, "Hyundai motor company of South

Korea will build a \$200-million car assembly plant in central Canada with Quebec the preferred location, industry minister Sinclair Stevens said." Another one on the same date read, "At the request of Hyundai, we are now focusing on several specific locations in Quebec."

It is obvious that the federal government has a distinct interest, for its own reasons, in seeing Quebec as the plant site. The fact the announcement was made in Quebec during an election campaign, with the approval of the Conservative federal government, speaks for itself.

Mr. F. S. Miller: With great respect, that is as much an apology as I have ever heard from any minister for industry and trade in this House. Perhaps a word of advice to the Premier (Mr. Peterson): Keep him home. One trip to Korea and he lost the deal.

Mr. Speaker: The member has a supplementary, I hope.

Mr. F. S. Miller: I have a question coming but it needs a bit of background. Volkswagen had exactly the same kind of pressure put on it by the federal government and the previous government got the plant into Ontario. Will the minister admit to this House that he did not take them seriously? Three weeks ago he said he did not have a single request for anything specific. We are told the Premier did not meet with them officially. That seems to be the rule of the day these days.

Interjection.

Mr. F. S. Miller: I have asked the question, Mr. Speaker. It is already there.

Hon. Mr. O'Neil: I guess it shows how misinformed the member is. As late as this morning I was called by the Hyundai people and was told they have not given the specifics of their deal to anyone as yet. The federal government and the province of Quebec have promised them 400 acres of free land, worth \$1.5 million, reduced hydro rates, and up to \$23 million or \$24 million in training grants. They may be offering as high as \$120 million in interest payments and many other things.

It would appear we are not looking at an investment. What has happened is the federal government and Quebec have bought a factory, not helped an investment.

Interjections.

Mr. Rae: It is hard to get in to see the Premier when there is a tariff involved.

The Hyundai decision was, in all the glare of publicity last week, made in Quebec. Other decisions are going to be made in the future. What steps are the minister and the Premier

taking to ensure that Ontario, the birthplace of the automobile industry in Canada, continues to get its fair share of offshore investment? That is what Ontario needs and deserves. What is the minister going to do to make sure it happens in the future?

Hon. Mr. O'Neil: I thank the member for the comment. It is a very good one. To attract investment to Ontario, in the words of some of the federal people, one has to work on a level playing-field. What has the opposition party done? What have its members done?

Mr. Bennett: That is the minister's job now.

Mr. Gillies: The minister cannot ask us questions here; it does not work that way.

Mr. Speaker: Order.

Mr. F. S. Miller: Again, an apology rather than action. Volkswagen had all those pressures. The federal government's job is to get them to Canada. The provincial job is to get them here. We have all the natural advantages in this province and the minister knows it. We got its parts plant when we were the government. Did the minister make any offer? Does he admit his government is not as skilled a negotiator as this government has been in the past?

Hon. Mr. O'Neil: I say again how misinformed the Leader of the Opposition is. I am told that when Hyundai brought its first plant to Ontario it never contacted the Ontario government and no one from the Ontario government contacted it; not one person. The government had nothing to do with its first plant here.

Mr. F. S. Miller: Again apology rather than an answer.

Hon. Mr. O'Neil: It is not an apology. I would like to quote from someone quite close to Mr. Mulroney. He was asked, "Which would you prefer to support, the Parti Québécois or the Liberal government as it affects your party?" He said, "We would rather prop up the PQ government." That is exactly what the members are doing.

2:50 p.m.

ST. CLAIR RIVER

Mrs. Grier: My question is for the Minister of the Environment. It concerns the very serious problems that have been evident in the St. Clair River. From the reports of the Ministry of the Environment, it is evident that four of the 10 chemical companies which discharge effluent into the St. Clair River at present—namely, Ethyl Canada, Polysar, Petrosar and Esso Chemical—

do not meet the ministry's existing and very limited guidelines.

Can the minister confirm to this House that those guidelines are so limited they contain no standards for the discharge of hazardous organics such as ethylene dichloride, perchloroethylene, vinyl chloride and polypropylene oxide derivatives? Do the ministry's guidelines contain standards for the discharge of these kinds of hazardous chemicals?

Hon. Mr. Bradley: I am not satisfied with the guidelines or with the certificates of approval that were in existence in the past. This is precisely why I have ordered ministry action which will result in an upgrading and updating of any certificates of approval and the imposition of any control orders which are necessary. It is for the very reason that the member appropriately raises in this House.

Mrs. Grier: Dow Chemical, one of the industries on the St. Clair River, has admitted it is conscious of there having been 11 spills since January 1985, many of them containing these kinds of carcinogenic chemicals. Why have charges been laid only in the case of one of those spills, that being the one that came to public attention?

Hon. Mr. Bradley: The spills that take place at any time along the river are investigated, as the member knows, by the investigations and enforcement branch of the ministry. These are then discussed with the legal department of the ministry to determine whether there is sufficient evidence to proceed with a charge against the company. The member would not want to see the ministry placed in a position where it laid charges against a major company that may be a polluter and then—

Mr. Rae: The minister is powerless.

Hon. Mr. Bradley: No, hold on—because those charges were not based on sufficient evidence have them defeated in the courts. That is why I have indicated that on every occasion where there is sufficient evidence to press charges I want to see that happen.

I cannot answer for what happened with the previous government and why it did not proceed in that direction. As the deputy critic in the Progressive Conservative Party would know, the orders which I have given are of such a nature that I want to see charges laid in every case where there is a possibility of those charges being successful in court, based on the evidence which is accumulated by the ministry.

Mr. Brandt: With respect to the whole matter of the quality of water in the St. Clair River, the minister released a report on November 8, in which he says, "We have discussed the results of all of our testing with our colleagues at the federal Department of National Health and Welfare." The minister then states, "They have assured us that the St. Clair area drinking water poses no threat to health at this time."

If there is such a substantial amount of pollution and toxic waste being spilled into the St. Clair River, why would the minister print in his own release a statement indicating there is no health threat to drinking water in that area? He cannot have it both ways. He cannot agree with his colleagues over here on the left and then, on the other hand, try to mislead the public with respect to what circumstances—

Mr. Speaker: Order.

Hon. Mr. Bradley: Did I hear the word "mislead"?

Mr. Brandt: It was an option.

Mr. Bradley: Oh, it is an option. I am glad the member gave that option of "Why does he not mislead?" or something of that nature.

We must look at the materials we find in the river. The answer to the question, "Are we finding these materials in the treated drinking water?" is that they have not been detected in the treated drinking water. We do the testing to ensure this is the case. However, on a number of occasions, including the one of finding the famous oily blobs under the river, we have found there known cancer-causing substances. If they are there in any quantity it is a matter of concern for the Ministry of the Environment and the people of Ontario. That is why I have undertaken all the actions I have announced in this House over the last two weeks. I am concerned about it. I am gratified there are no results in the drinking water to show there is a danger to health, but I am not prepared to leave it there and abandon the problem.

Mr. Rae: The minister has just told us there are no standards for certain hazardous chemicals, that he is not able to gather evidence with respect to 10 spills for which Dow Chemical, on its own, has admitted responsibility, and there is a study in the Ministry of the Environment which has been there since July 1983 stating clearly and categorically that it is cheaper for companies in Ontario to pollute than to clean up.

The minister has been in charge since the summer. When is he going to recognize he is in charge of a dilapidated regulatory structure that is

not working, has not worked and cannot work unless he has the guts to come into this House with legislation to change it and bring it up to date?

Hon. Mr. Bradley: The member is two weeks behind; I announced that two weeks ago. I do not know why he was not listening at that time. I came into the House before he even asked any questions and announced a number of activities this ministry would be undertaking. I have given an undertaking to the member for York South (Mr. Rae), the member for Sarnia (Mr. Brandt) and to others in the House that we are reviewing and revising all the certificates of approval along that area and undertaking investigations of spills that have taken place in the past.

I wish I could in some cases answer for what has happened in the past, the member will have to ask somebody else about that, but I can tell the member, as I told him two weeks ago, that I view this with the greatest of concern and this is why we have this plan of action taking place at the present time in the St. Clair area. I am sure the member will agree with me a couple of months down the line, when he sees it fully in effect and starts to see some of the ramifications of it, that indeed I have taken the appropriate steps. I am sure even he will be applauding at that time.

Mr. Rae: This tune is beginning to sound remarkably familiar, rather like the Brandt quintet and the Norton minuet we used to hear.

FREE TRADE

Mr. Rae: Let me try again with the Premier on free trade. Was he consulted before the appointment of Mr. Reisman as Canada's chief negotiator, and what does he think of the appointment?

Hon. Mr. Peterson: The answer is no, I was not. Is the member asking me about his personality or about his ability to—

Mr. Wildman: Are you happy?

Hon. Mr. Peterson: The answer is no, I am not particularly happy. I think that decision should have been shared. We have no idea of his view of the consultation process, let alone the proposal development process; it is very woolly at the moment. It speaks to the whole way this thing has developed inside our own country without any attempt to develop any kind of consensus, without any real, meaningful dialogue on this whole thing. So the answer is that I am not very happy about the current situation.

Mr. Rae: Did the Premier express this unhappiness upon hearing of the appointment, the day of the appointment, directly to the Prime

Minister of the country? In particular, has he objected on behalf of Ontario to the fact that as of April 1985 Mr. Reisman was referring to this project about the Grand Canal, which involves a damming of James Bay and a conversion of James Bay into a freshwater pond? Water would then be sold off through huge canals going down to the southwest in the United States.

As of April 18 in the *Globe and Mail*, Mr. Reisman was quoted as saying: "The Americans have a desperate need for water. I think they'd go crazy for the idea." Then he said the idea had been around for years, but suddenly he had what he called "a flash of imagination." He said, "Why don't we see if we can marry the two, selling them our water in exchange for free trade?"

The Premier has come into the House and said he is vaguely unhappy. The time for vague unhappiness is over. What precise steps has he taken to protect Ontario's interests? Has he phoned the Prime Minister to object to the Reisman appointment?

Hon. Mr. Peterson: The answer is that I have not phoned to object to that. It is a decision he made. I was not aware of it and, to the best of my knowledge, no other provincial Premiers were aware of it, either. As the member knows, these issues will be on the agenda next week at the first ministers' conference and I assume the Prime Minister will explain what he has in mind, if he has anything in mind.

3 p.m.

I share with the member the view the suggestion we will deal off fresh water as part of these negotiations should be absolutely outrageous. Whether that is a personal view or whether it is a view he now carries with him in the discussions I have no idea. Mr. Reisman has had other problems with respect to his directorships and that kind of thing. I can only tell the member those kinds of questions still have to be determined, but I am not happy.

Mr. F. S. Miller: I hope the Premier will accept the fact that very few issues have as much potential effect in Ontario as this one. I hope he realizes that, historically, at least eight provinces have to disagree with Ontario's position. I hope at this meeting next week we can expect him to stand up strongly for a position that, as far as I can see, all three parties support in this province. Do we have his commitment he is going to do that?

Hon. Mr. Peterson: The member has seen by action that we have stood up. It was supposed to

be nine to one, and we stood up with a very well-reasoned position and I believe with a lot of courage that was not shown by some of the member's colleagues and some of his fellow travellers in other parties across the province. I will make a prediction. I think he will see more support for the kind of view we did articulate at the Premiers' conference and subsequent to that. I think he will see that the interests of Ontario are in very good hands.

As the member knows, one of the problems is that, as soon as we assumed the leadership of this province, there was very little factual information of any type on this issue. There was no thought and no intellectual content in the whole discussion. It was just a knee-jerk reaction. We have been moving very quickly to build that base so we will never be caught out in the future.

With respect to my honourable friend's assertions that his party supports it, I have no idea if that is true. I have seen about six or eight different opinions—I will read them to him if he likes—from the new leader of his party and from the member for Don Mills (Mr. Timbrell), who I gather is one who supports discussions and a bilateral trade agreement; but I have no idea what is the position of the member's party.

We have been constant in this party. We have been the one force in this country that has provided a check to the steamroller that could be built under the hands of Mr. Mulroney, if we let him get away with it.

Mr. Rae: It is precisely because there is a steamroller that I want to say to the Premier I hope very much that the stance he takes next week, and the stance he takes as of today, is no longer one of simply asking questions or of simply raising concerns, but is one that states specifically that Ontario is opposed and stands opposed to a comprehensive free trade treaty with the United States of America.

Is that the position of the Liberal government? If that is its position, why did the Liberal members on the committee, together with the Tories, sign a document that gave the green light to the Mulroney initiative and to the negotiations the federal government is starting next month with the United States?

Hon. Mr. Peterson: I do not want to be unkind, but I say with great respect that my honourable friend completely oversimplifies a very complicated subject. This is not a subject for theology. He may want to make a speech based on his responsibilities to speak for the labour unions. He may want to take the view that we should stand outside in the hall and scream,

which is the view he is presenting now in this House. If that is his view, then he can stand up and say it.

I am telling him that the Prime Minister on his own initiative stood up in the House of Commons and announced he was going to enter into some kind of a discussion, or at least send a formal proposal to the President of the United States—

Mr. McClellan: It is called negotiations.

Hon. Mr. Peterson: It is not at this point—looking for a response from Congress on whether there can be any kind of discussion.

The problem is, as the member knows and I know, no one has any idea what the federal government wants to discuss, if it discusses anything. Therein is the problem. We have put forward in very clear and forceful way the position and the interests of Ontario with respect to the cultural industry, with respect to the point the member raised earlier about bargaining off our resources. We put forward strong positions on agriculture, on the automotive industry and a number of others. That is where we are on the situation.

Mr. Stevenson: The same speech the Ontario government has given for five years.

Hon. Mr. Peterson: My friend over there is yapping and making noises, but he had better listen to his new leader. He has a very different view to that which his former leader had in this situation.

HYUNDAI PLANT

Mr. Bennett: My question is to the Minister of Industry, Trade and Technology.

Mr. McClellan: Is the member still here?

Mr. Bennett: Yes. Is that not a shame?

I want to return to the second question of our leader in relationship to the location of an automobile plant in Quebec. It is interesting to sit here today and listen to the minister tell us what Quebec is doing to entice an automobile plant to that province and what it is prepared to do. What we want to know from the minister, very simply and concisely, is what he did on behalf of the people of Ontario in trying to bring that automobile plant here; not what Quebec did, but what he offered as an Ontario minister and at what time and in what place.

We would like to see his presentation in detail so we can try to make an assessment as to whether it was the appropriate one on behalf of the people of this province.

Mr. Speaker: Order. I think the member asked the question three times.

Hon. Mr. O'Neil: I would like to tell the member that the same staff, who are excellent staff, were working very hard on this. He tends to criticize them. Those staff have never worked harder than they did on this specific matter.

Because none of the Conservative ministers had been to Korea for more than 10 years and because they were not even involved in—

Mr. Speaker: Order. It is becoming very difficult to hear the questions and answers. I suggest to the members that they place their questions and answers through the Speaker. I think it would be a little more orderly.

Mr. Bennett: It is great to have a supplementary, but since there was no answer to the question, it is difficult to place one.

We did not have to go to Japan, West Germany or other countries every day of the year to try to get plants into this country. We had representatives from the Canadian government who represented us well in Korea. I am not making any apologies for that.

The minister said three times in his preliminary answer that he was going to tell me. He has told me and this House absolutely nothing. We are asking very simply that the minister table in this House the complete presentation he made to executives of the Hyundai company as to what he would do for that firm here in Ontario if it were to locate here. Do not tell me what Quebec is going to do. I could not care less. I want to know—

Mr. Speaker: Order, order.

Hon. Mr. O'Neil: If Mr. Speaker will allow me, I will answer it now.

If the member is not interested in what Quebec is offering, maybe he should be interested in what the federal government is offering to get Hyundai there. He should be one of the first to ask whether the federal government has bought them off and has got them to go there.

I would be very pleased to tell the member that when we heard there was a possibility we were going to lose that plant, I decided to go to Korea and I did meet with the company. I was there for two days and I tried to change their minds. Our staff in the ministry—of which the member was also a minister and knows how competent the staff are—have been working very closely with the Hyundai motor company. I have met with the company personally on two occasions along with the staff to try to get them to change their minds, after all they were being offered from the federal and provincial governments. The Premier (Mr. Peterson) has also met with the president of Hyundai Auto Canada on a couple of occasions.

Interjections.

Mr. Speaker: Order, order. I am going to recess the House for five minutes.

Mr. Speaker suspended proceedings at 3:09 p.m. 3:15 p.m.

Mr. Mackenzie: The Attorney General was here when the Speaker adjourned the House briefly. I do not know whether he has left the chamber.

Mr. Speaker: Is there a question?

CATARACT SURGERY

Mr. Wildman: I have a question for the Minister of Health. It relates to funding for cataract lens implant surgery. The minister will know that today is the last day on which a patient who has been scheduled for such surgery will be able to have it in Sault Ste. Marie.

Is the minister prepared to provide the additional funding necessary to enable hospitals to carry out lens implant surgery across the province so we will not be cut in other areas as we have been in the Sault? I am sure the minister is aware that last year there were about 250 such operations and they have been limited to 140 this year.

Hon. Mr. Elston: I thank the member for the question. I am well aware of the difficulties being experienced in the particular hospital to which he is referring. He will be well aware the lens implants are provided on the basis of the global budget from within the hospitals and decisions have to be made at the board level. It has made a decision with respect to its global budget.

My ministry staff have been working very closely with that hospital. They are working very hard to review its needs. I have met with them and one or two of the ophthalmologists involved in the lens implant program at the hospital. I am very well aware of it. We are working to deal with a global budget problem which has resulted in the board deciding to cut back on the number of lens implants. That is not a decision the Ministry of Health has made.

Mr. Morin-Strom: I would like to ask the minister if he is aware this is not a problem just for the Plummer Memorial Public Hospital in Sault Ste. Marie, but that hospitals across the province are not being funded for lens implants. As a result of this inadequate funding, other hospitals as well are looking at putting caps on this service.

Will the minister confirm today that hospitals across Ontario will be given special consideration and funding to ensure that the high cost of

lens implants are being reflected in their budget allocations and that they can get special funding for these operations?

Hon. Mr. Elston: I cannot give the assurance of extra funding today. I can say there is special consideration being given to the difficult pressures which are generated by new techniques of implantation, not only of lenses but also of hip prostheses and others.

All I can say is that we became aware of the difficulty during a tour of one of the hospitals in Ottawa. We have been actively pursuing a study of how we can address the particular problems which are generated as a result of the global funding.

Mr. Davis: I have a question for the Premier. I was wondering whether he is coming back to the House. Can I step down until he arrives?

Hon. Mr. Nixon: He is coming back in a moment.

3:20 p.m.

RAINY RIVER SYSTEM

Mr. Pierce: My question is for the Minister of Health, regarding the testing for dioxin in the Rainy River water system. It has been three weeks since this matter was first brought up in the House. The minister assured us that the taking of fish for further testing would be carried out immediately, but the results would not be known for four to five weeks.

Further to my question on October 29, I asked the minister to test both the fresh water and the treated water in the surrounding communities. Can the minister now tell me whether these tests have been made, and if the results are available will he make them available to the members?

Hon. Mr. Elston: The question was directed to me, but I believe it is an inappropriate question since the testing has been done under the auspices of the Ministry of the Environment.

Mr. Pierce: I will redirect my question to the Minister of the Environment.

Hon. Mr. Bradley: I will answer the question. We did testing, as the honourable member knows. We had the results from the state of Minnesota, which indicated a certain amount of information. We were not satisfied that the information was acceptable to us to undertake certain activities that I know people in northern Ontario would be very concerned about if we did them in a very rapid fashion and without suitable evidence. As a result, instead of five fish we took 175 fish, which are now being analysed in our laboratories here.

There is some drinking water information which I just got today from the head of the assessment group, drinking water section, water resources branch. It indicates there are no detectable amounts of chlorinated dibenzo dioxins and dibenzopyrans in the water supply of Fort Frances or Emo. Everything is ND, which means nondetectable in each of these cases.

If there is further information the member wants, I would be happy to take it under advisement and get back to him tomorrow.

Mr. Bernier: When the minister responded on October 31, he made reference to the fact he would be contacting the United States Environmental Protection Agency as to why there was roughly a six-month delay in informing the Ministry of the Environment about dioxin in the water in the Rainy River system. I wonder whether that investigation has gone on and whether he can report to the House.

Hon. Mr. Bradley: I do not have that information back, but I must say the honourable member had a very good question that day. When he first hit me with it, he mentioned, for instance, that I had mentioned we were pleased with some of the co-operation. The member justifiably brought to my attention the question, "Well, did you realize they had it six months before?"

We are investigating that now. As soon as I get that information, I will be happy to provide it to the member in the House, because it is a very legitimate question.

DOMESTIC WORKERS

Mr. Mackenzie: Mr. Speaker, in the absence of the Minister of Labour (Mr. Wrye), I would like to ask a question of the minister responsible for women's issues. The minister is well aware that Ontario's labour laws discriminate against domestic workers. Live-in domestic workers are getting paid less than \$2 an hour and work 60-to-80-hour weeks. I have here nine different examples of domestics working an average of 13 hours per day. I would like to ask the minister whether he will act immediately to end this exploitation. Will he amend the Employment Standards Act, or see that it is amended, to ensure that the hours of work for live-in domestics are regulated?

Hon. Mr. Scott: I would like to thank the honourable member for his question. I met last week with representatives of Intercede, the International Coalition to End Domesticity' Exploitation, which is an organization of domestic workers. They made the case that they should be dealt with under the Employment Standards Act

in a slightly different fashion than they now are. I indicated to them that I would forward their views on to the Minister of Labour, as I have done. I know he is considering a report within his ministry on the subject and will make a determination shortly.

Mr. Mackenzie: Domestic workers are exploited in other ways. They are charged high rates for room and board—about one third of their wages. If they work part-time, they are not entitled to minimum wage. On top of these and other problems, they are denied the right to organize in unions.

I know the minister is aware of these problems and I would like to know if we can expect some relief for domestics. Can he give us a time frame in which we can expect some relief in this current session before Christmas, because we have been raising this matter for years?

Hon. Mr. Scott: My responsibilities are to bring in amendments that relate to equality under section 15 of the charter, which would not be applicable in the case of domestic workers. The remedy they seek is really an amendment to the Employment Standards Act and to the Ontario Labour Relations Act to permit them to organize. That is not within my area of responsibility. I have told my friend I have brought the matter to the attention of the Minister of Labour and I will relay to the minister again the fact that the question was asked.

TEACHERS' LABOUR DISPUTES

Mr. Davis: I have a question for the Premier. I hope he will listen carefully.

It is apparent from the lack of action and involvement on the part of the Minister of Education (Mr. Conway) that he does not feel the school year of the students in Wellington county is worth saving. There are 316 students in Arthur, 1,570 students in Centennial in Guelph, 428 students in Erin, 1,600 students in Guelph and 303 students in Mount Forest who are in semestered programs and now their year is in jeopardy.

Will the Premier today personally interfere in the strike in Wellington county on behalf of those students?

Hon. Mr. Peterson: I am going to do two things for the member for Scarborough Centre. One, I am going to send over the Minister of Health (Mr. Elston) to assist him with his vocal problems. Two, I am going to ask the Minister of Education to respond to his question.

Mr. Harris: The Minister of Education has done nothing.

Mr. Cousens: The Premier should answer it. The question was pointed to him.

Mr. Speaker: Order. The question was placed to the Premier and the Premier asked that it be directed to the Minister of Education.

Hon. Mr. Conway: I share the concern of my friend the member for Scarborough Centre about the impact of this strike upon the thousands of secondary school students in Wellington county who are involved. I have said in this House, and I will repeat today, it is the strongly held view of this government that the best resolution is a locally negotiated resolution.

I point out to my friend from Scarborough that late last week both parties in the neighbouring Grey county dispute, working together, came to a tentative agreement of that dispute. Most sincerely, I expect the parties in Wellington will follow the example of their neighbours in Grey and resolve this at the local negotiating table.

Mr. J. M. Johnson: This supplementary is to the Premier. The Premier personally intervened in the negotiations to effect a settlement this fall between the Toronto Transit Commission and its workers. Is he telling us today that transit workers in Metropolitan Toronto are more important to him than the thousands of students in Wellington county who are placed in the position of losing their school year? Many students have already left the system. Is the convenience of transit riders in Metro more important than the future of the Wellington county students?

Hon. Mr. Peterson: With great respect to the honourable member, and I know his depth of feeling on this matter, he is absolutely ill-informed with respect to my role in the transit drivers' dispute. I did not settle that strike and I did not intervene in any way. Those people came to their senses. They used their great judgement when they approached the situation and they solved it themselves as any good system of collective negotiations would dictate.

Mr. Davis: Point of order.

Mr. Speaker: Point of order. What could be out of order?

Mr. Wildman: The member's voice is out of order.

Mr. Davis: I deliberately worded the question, "Would the Premier intervene?" How can a minister answer that question for him?

Mr. Speaker: I appreciate that. You did ask the question and there was a response to the question. It really is not a point of order at all.

ONTARIO PROVINCIAL POLICE INVESTIGATION

Mr. Rae: I have just been advised by a news release communiqué, and indeed in a note from the minister, that Mr. James Dochstader of Corunna has been suspended for 20 days with pay. He is the Sarnia district officer of the Ministry of the Environment and he has been suspended by the Deputy Minister of the Environment, Mr. Roderick M. McLeod, under subsection 22(1) of the Public Service Act.

That act says, "A deputy minister may, pending an investigation, suspend from employment any public servant in his ministry for such period as the regulations prescribe." Can the minister tell us the nature of the investigation that is ongoing with respect to the activities of Mr. Dochstader?

3:30 p.m.

Hon. Mr. Bradley: I can only say the investigation in question concerns the operations of Canflow Services Ltd., its principals and employees. I cannot reveal more than that. The information upon which the suspension was based was made available late last week. The suspension took place as a result of it.

As I indicated in earlier answers to the member in the House, I was not in a position at that time to announce any suspensions of specific people, or to mention any who were under investigation. We had reached that point in the investigation on Thursday or Friday of last week. The letter has gone to this individual and the announcement has been made, but I cannot reveal the specific investigation that is going on because that would jeopardize it.

Mr. Rae: I can appreciate the integrity of the investigation. What I hope the minister will appreciate is that it is a sad day when a minister cannot get up in this House and say he has complete confidence in the judgement, discretion and work being performed by the public servants working in his office. Can the minister tell us whether an ongoing investigation affects the work of other employees of the ministry?

Hon. Mr. Bradley: I am not aware of any other employee who would be subject to this investigation. I really could not say that definitely, but I am not aware any other employee is affected.

MULTICULTURAL POLICY

Mr. Leluk: I have a question of the Premier. Since taking office in June, his government has paid lip service to multiculturalism and simply

ignored the needs of the diverse cultural communities in Ontario.

In view of the fact \$10.5 million has been cut from the allocation of the Ministry of Citizenship and Culture—the only ministry in the social policy field, I might add, which was cut—would the Premier please state the Liberal Party's policy on multiculturalism? Would he table it in this House forthwith?

Hon. Mr. Peterson: I can assure the member I represent a party that has been the author of the philosophy of multiculturalism.

It is determined to bring people from all walks of life into full participation in all aspects of our governing process. We did not just hop on board last weekend. We did not just have a sudden conversion because there was a change in the polling. This is something in which Liberals believe. It is reflected in our cabinet, our caucus and our party makeup. We are the ones who really believe in it and are doing something about it.

I say with great pride that we in this party have a major influence in changing our processes, opening them up to people from all walks of life. That is why we will continue having close relationships with our multicultural communities.

Mr. Leluk: The budget cut of \$10.5 million exemplifies the disdain and lack of importance the Premier's government places on cultural communities and immigrants in this province.

Since the Premier is not prepared to table his party's policy, are we in this House to assume the Liberal Party of Ontario does not have a multicultural policy? If this is the case, is his government prepared to uphold the one inherited from the previous Progressive Conservative government?

Hon. Mr. Peterson: It is very interesting that the member has any policy at all. I have watched his party go through a couple of conventions in the last year. That was one of the things it discussed. It was generally acknowledged that it does not have one in practice. It may mouth the words but it does not believe in them. Look at the makeup of its convention in January. I invite my friend to a Liberal convention and he will see multiculturalism in action and people participating from all walks of life.

Interjections.

Mr. Speaker: Order.

Mr. Grande: Since the Premier obviously does not mouth the words of a multiculturalist but believes them, would he undertake to answer six

questions placed on the Orders and Notices paper on June 17? An interim answer was to have been available on October 15. It is November 18 and still no questions have been answered dealing with the real meaning of multiculturalism in this province.

Hon. Mr. Peterson: I am prepared to answer those questions and any others with respect to our commitment. The honourable member will know of the very deep and intense commitment of this party to reflect the real face of Ontario in all its institutions. We are doing that in many aspects. For example, we appointed his former colleague to the Workers' Compensation Board of Ontario because he was so sensitive and reflected one of the aspects of multiculturalism in this province. We will continue to do this because we believe in it. We invite his help in making every group in this province feel welcome.

LAYOFFS AT PIC RIVER FOREST PRODUCTS

Mr. Pouliot: I have a question for the Minister of Northern Affairs and Mines. The minister may be aware that Pic River Forest Products—

Mr. Bernier: The member was with him all last week. Why did he not ask the question then?

Mr. Pouliot: I am directing my question at another predecessor.

Mr. Martel: Did they not invite the member for Kenora (Mr. Bernier)?

Mr. Bernier: No, they did not.

Mr. Speaker: Order. Would the members allow the member for Lake Nipigon (Mr. Pouliot) to place his question?

Mr. Pouliot: The minister and I did not make it to Chateau Bernier in Minaki.

The minister may be aware that Pic River Forest Products has served notice on its employees that their services will no longer be required, effective December 31, 1985. This affects 150 jobs in the communities of Manitouwadge, Caramat and Marathon. Last month, the minister announced a northern Ontario development fund, the establishment of—

Mr. Speaker: Question?

Mr. Pouliot:—regional development councils and a change of name to the Ministry of Northern Development and Mines. Will the minister tell us exactly what effect these changes will have on those 150 jobs that will be lost by December 31, 1985?

L'hon. M. Fontaine: Premièrement, je remercie mon ami, le député de Lake Nipigon. I do

not bypass anybody; I told the honourable member that before. I treat everybody equally in the north. I will not do as the other guy and go around.

I would like to take this question into consideration. I will study those layoffs and I will discuss them with the Minister of Labour. Through the new program, we are going to try to help the honourable member out in his riding. In the next few weeks, I will do my best to work towards this development that I am talking about. The member for Lake Nipigon and I will work together towards a better quality of life in his riding.

Mr. Pouliot: While I welcome the declaration from "mi amigo," my friend, I ask the minister to protect these jobs. To protect the integrity of the order limits, I also ask the minister to ask his other friend, the distinguished Minister of Natural Resources (Mr. Kerrio), if consideration will be given to having the crown take over the limits now held by James River-Marathon Ltd.

L'hon. M. Fontaine: J'aimerais encore répondre au député de Lake Nipigon que dans l'industrie du bois de sciage et de la pulpe et dans les mines nous traversons une récession. Ce qu'il me dit là, ce n'est pas seulement à Lake Nipigon que cela arrive. On a du monde mis à pied à Kapuskasing et à Hearst. On en aura à Hudson dans quelques mois.

Mr. Bernier: The member should be careful now. He should not go too fast.

3:40 p.m.

Hon. Mr. Fontaine: That has to do with the recession at this point. I would like to look into it, but the member should not expect me to answer it today.

I will meet with the Minister of Natural Resources on Friday and we are going to go over the James River problem.

PETITION

CONSTITUENCY BOUNDARY

Mr. Pollock: I have a petition which reads: "To the Lieutenant Governor and the Legislative Assembly of the province of Ontario:

"Whereas both reports from the electoral boundaries commission have recommended that the townships of Thurlow and Tyendinaga, the town of Deseronto and the Tyendinaga Indian reserve be removed from the Hastings-Peterborough constituency;

"And whereas these municipalities are part of Hastings county and work with provincial and county offices in the city of Belleville, the county

seat, rather than offices located in other county seats;

"And whereas these four municipalities have a community of interests with other rural municipalities in Hastings-Peterborough;

"Now therefore we, the undersigned members of the Hastings county council, petition the Ontario Legislature to leave the townships of Thurlow and Tyendinaga, the town of Deseronto and the Tyendinaga Indian reserve in the Hastings-Peterborough constituency."

REPORT

STANDING COMMITTEE ON PROCEDURAL AFFAIRS AND AGENCIES, BOARDS AND COMMISSIONS

Mr. Breagh from the standing committee on procedural affairs and agencies, boards and commissions presented the fourth report on standing orders and procedures and moved the adoption of its recommendations.

Mr. Breagh: This is the long-awaited report on standing orders and procedures; it also deals with a restructuring of the committee system. It is anticipated that we will have an early opportunity to debate this formally, and we have attempted to provide for members in abbreviated form—in point form, almost—what is contained in this committee report.

This matter has been before the procedural affairs committee for some years now. It has been reported to the House on other occasions, when no action was forthcoming. We anticipate that we will see prompt debate of the report in the House and also prompt action on many of its recommendations. This is not to suggest that there are not a multitude of things that have to be done and that they have to be done in different ways. We acknowledge that.

We are recommending in here changes to the standing orders that would affect the daily working life of all members. We are recommending changes to the committee system that we think will make for a more meaningful working day for the members. We are, in essence, trying to get the business of the Legislature organized so that all of us, who have time problems and constraints, families and obligations back in our constituencies, will have a somewhat more organized existence.

It is important for each and every one of us as members to be able to discharge all those responsibilities fairly and to expedite that work as best we can. It is sometimes difficult to do that when, for example, one does not know when this

session will begin or end or when one is not clear whether one will be available for an event in a constituency on a Friday afternoon or evening. So we make recommendations that try to give more authority to committees to operate, more latitude in what they might do.

We present this report in the light of a speech from the throne made by a previous government which indicated very clearly that that government was very interested in these reforms. It is also in direct response to statements made by the Premier (Mr. Peterson) that he wanted a more open form of government, that he wanted to have an opportunity for members to play a meaningful role in the development of policy and legislation. We as a committee think this report provides an opportunity for that to happen.

I want to point out just before I adjourn this debate that this is a matter of some controversy, and there is no question about it. We have two dissenting opinions attached to the report, and I want to point those out. But we tried to work as best we could, by means of consensus in the committee, and we took that as far as it could go. There comes a time when one has to make up one's mind, and I would suggest that when we debate this in the Legislature, each one of us will have to do that as well.

This report is not the work of the Ontario assembly as I personally would like it. I would advocate even more change than is recommended here but, by and large, it is a consensus of the work of this committee and previous committees on how we should change the standing orders, how the committees should function in different ways and how we should try to develop some sense of this place as a jurisdiction of its own headed by the Speaker.

We think a lot of good work has been done. We, who spent some of our summer putting together these recommendations, know that our staff people, in particular Smirle Forsyth, the clerk of the committee, responded with great dispatch to provide the members with the paper to draft and redraft the proposals in this report. We appreciated that work.

We were rather excited that we were on the verge of bringing this parliament, this assembly, into this century. We were happy to see other indications—and today is an appropriate occasion when the television cameras are in place and operational for the first time in the history of this Legislature under the auspices of the Speaker—that this is a good sign, that this is an assembly open to such changes.

We recommend this report to all members of the assembly. We hope they will take the time to look through it and make a judgement call on balance. We as a committee—the majority of us—feel that the need for change is clearly established, that the recommendations contained within this report will go a long way towards providing for each and every one of us a meaningful work place and an organized life-style. For example, it provides that we can get in as many legislative hours as we do now but still balance off other responsibilities members have.

I look forward to being a participant in the debate and to comments from individual members and from the caucuses and those who are interested in how we organize the business of the assembly. I hope we shall have that debate shortly and begin to implement this report.

On motion by Mr. Breagh, the debate was adjourned.

MOTIONS

ESTIMATES

Hon. Mr. Nixon moved that in the standing committee on general government, the estimates of the office of the chief election officer be considered for 30 minutes.

Motion agreed to.

COMMITTEE SITTING

Hon. Mr. Nixon moved that the standing committee on administration of justice be authorized to meet in the afternoon of Wednesday, November 20, 1985.

Motion agreed to.

INTRODUCTION OF BILL

TIME AMENDMENT ACT

Mr. McClellan moved, seconded by Mr. Lupusella, first reading of Bill 58, An Act to amend the Time Act.

Motion agreed to.

Mr. McClellan: This bill would extend daylight saving time to run from the first Sunday in April to the first Sunday in November. You will be aware, Mr. Speaker, that it is similar in many respects to a bill I introduced earlier in the session which is listed on Orders and Notices as Bill 40. I am doing this because there are some necessary corrections that have to be in the bill.

Mr. McClellan moved that the order for second reading of Bill 40, An Act to amend the Time Act, be discharged and that the bill be withdrawn.

Motion agreed to.

3:50 p.m.

ANSWERS TO QUESTIONS IN ORDERS AND NOTICES

Hon. Mr. Nixon: I wish to table the answers to questions 5 to 10, 81 and 83, and the interim answer to question 82 standing in Orders and Notices [see Hansard for Friday, November 22].

ORDERS OF THE DAY

House in committee of supply.

ESTIMATES, MINISTRY OF REVENUE

Hon. Mr. Nixon: Honourable members will be interested in this estimate. On page 34 of today's Orders and Notices, there is the list of estimates to be considered in this committee. Number one is the Ministry of Revenue and six hours are assigned.

You will note it is our custom in the House of more recent date to consider estimates Monday afternoon after question period until six o'clock and again on Friday morning after question period until one o'clock. I was interested that the member for Oshawa (Mr. Breagh), in introducing the report of the standing committee on procedural affairs and agencies, boards and commissions, indicated that sometimes members want a certain flexibility Monday and Friday so they can attend to things, either in their constituencies or elsewhere.

Sometimes these estimates are considered events that not every member of the Legislature has to attend. Estimates of the Ministry of Revenue are an exception because of their compelling interest, but I felt I should bring to the attention of the honourable member, who is no longer in his place, that certain accommodation has been made over the years in that regard.

I am very pleased to present these estimates to the House. Before I begin my more formal remarks, I would like to say that, having been the minister for just a few months, since the beginning of July, I have particularly appreciated the assistance of the deputy minister, Terry Russell, who has had a number of years of experience in this responsibility and others. I have found he and his staff to be completely professional in their advice and assistance to me as a new minister, and I appreciate that.

As Treasurer, I have an associated responsibility with the Ministry of Revenue. Going back 23 years to when I was first elected, the revenue responsibility was almost automatically lumped in with the Treasury. Over the years, it has

increasingly become a more separate responsibility. It was only until the change in government that it was decided by the head of the government to put them back together.

The staff members in Revenue have been particularly co-operative, realizing that I have these shared responsibilities. Among other things, they have assisted me in meeting the members of the ministry, particularly those at the ministry headquarters in Oshawa. The Michael J. Starr Building in downtown Oshawa houses this function. Its design is excellent—seven floors, each floor with an acre of working space. That appeals to me as a farmer. It is easy to figure out. In my visits there, which have been all too infrequent from my point of view, I have been very impressed with the level of activity.

I have mentioned my impressions to a number of people. Among the highlights was the room where the sales tax returns are opened and compiled. Two people, through the use of modern computer facilities, actually check in \$36-million worth of sales tax revenue a day. This money is deposited in the local branch of the Canadian Imperial Bank of Commerce, right next door. You can understand why the manager of the branch stands up when the minister goes in to see him. It is a fairly big account. We are well served there, and the deposits take place on the day they are received. The organization is excellent.

I do not want to stray unduly from my text other than to say again how impressed I am with the staff of the ministry at all levels and to pay my compliments to them. I also want to thank them for assisting me in preparing these formal remarks in introducing the estimates.

I shall begin with a brief review of some of the salient changes in expenditures and staff levels compared to 1984-85. After this I shall describe some of the most important operational developments in each of the ministry's major programs, as well as the report of the member for Waterloo North (Mr. Epp) on property assessment which I tabled in the Legislature a week ago Friday.

According to established practice, I have provided the opposition parties with a full set of briefing notes which supplement and explain the material contained in the printed estimates.

First, I wish to refer to the summary table of human resources for 1985-86. Members will note that the table describes total employment in the ministry in terms of planned or maximum staffing levels. In practice, actual employment will invariably be lower because of vacancies and possible in-year constraints. The table shows the

total employment in the ministry is planned to increase by 33 person-years. In fact, this number has now been revised downward to 29.

This increase has three main components. The increase of 19 person-years in the ministry administration category represents a strengthening of such functions as internal audit, human resources planning and management and technology investment planning. Specifically, there has been no increase in staffing in the minister's or deputy minister's areas. The increase of 32 person-years in the tax revenue and grants program is directed to basic revenue processing and customer services and has been revised to only 28. The table also shows that staffing in the property assessment program has been reduced by 18. In overall terms, therefore, staffing in the ministry has been increased by less than one per cent over last year.

Second, I refer members to the summary table of expenditures for this fiscal year. The table shows an increase in total expenditures of \$34.3 million, of which \$22.7 million is for increased payments to senior citizens while \$11.6 million is for ministry operations. However, I wish to emphasize that the increase of \$11.6 million includes the special one-time provision of \$3.9 million for the municipal enumeration in September.

The balance is more than offset by the filling of vacancies to build the planned staffing potential I mentioned earlier and by unavoidable increases in certain operating costs such as computer processing and other fixed commitments. In conclusion, these factors mean that in real terms the ministry's budget is less than in 1984-85 and it must deal with increased program work loads and changes through increased productivity and improvements in the management of resources generally.

I shall now briefly summarize the main features of the printed estimates and developments in each of the ministry's two major programs. Finally, I shall comment on the report on property assessment that I tabled on November 8.

The tax revenue and grants program is responsible for the administration of the province's tax statutes with the exception of personal income tax and the mining tax. Personal income tax is administered by the federal Department of National Revenue and the mining tax by the Ministry of Natural Resources. For guaranteed-income and tax grant payments to senior citizens and for grants under the Small Business Development Corporations Act, the briefing notes

explain the changes and expenditures in staffing levels for the whole program, as well as in its component branches.

In aggregate terms, total expenditures are estimated to increase by \$28 million over the actual level of \$546.7 million in 1984-85. As I have already noted, however, \$22.7 million of this total is for increased transfer payments to senior citizens. On the other hand, the \$5.4 million allocated for program operations is largely needed for staffing to planned levels and to meet the increased costs of computer communication and transportation services.

In staffing, the estimates include a net increase of 28 person-years which will be supplemented by internal redeployments to maintain tax administration and customer services in the corporations and retail sales tax branches. Overall, the program must rely on productivity increases resulting from past investments in computer technology to deal with increased work loads and maintain customer service.

4 p.m.

At this point, I shall deal with only two aspects of the ministry's involvement in my budget last month.

First, while the Ministry of Treasury and Economics was responsible for the tax policy side of the budget, the Ministry of Revenue is responsible for ensuring the operational implementation and ongoing administration of my tax proposals.

As members will recall, my budget involved an extensive set of increases and decreases across the full range of provincial taxes. Consequently, the ministry is engaged in a correspondingly large exercise designed to assist taxpayers to deal with the changes with the least possible disruption to their business. For this purpose, the ministry placed advertisements in all Ontario dailies the day after the budget to inform taxpayers of the proposals.

When the various bills are approved by this Legislature, the ministry will mount an intensified information and assistance program in two main ways.

Additional advertisements will be placed in newspapers to inform taxpayers of when the various increases and decreases will take effect. This will be supported by detailed bulletins which will be distributed to the various groups affected by each measure, for a total of 500,000 copies.

Also, the ministry's team of customer service specialists will visit as many small-scale retailers

and businesses as possible to provide direct assistance in dealing with the tax changes.

Second, while considerable attention was given to the proposed tax increases and decreases, I would like to remind members of a major tax simplification measure that was also contained in the budget. I refer specifically to the amendment of the Corporations Tax Act which will abolish the requirement for small corporations to file annual tax returns. This measure will benefit about 120,000 small businesses. As such, it is the largest tax simplification measure ever undertaken by the ministry. Apart from reducing the paper burden involved in complying with the tax, I estimate this measure will save these small businesses as much as \$9 million to \$12 million per year in filing costs.

On the broader front of improved customer services and tax simplification, I would like to inform the members I was greatly encouraged by the favourable response I received when I tabled a report on the ministry's objectives and initiatives at the meeting of federal and provincial ministers of revenue in Halifax in September. I would be pleased to provide interested members with copies of this report. At the same time, I wish to assure members that we fully recognize there is still much to be done in this area and that we are committed to implementing further improvements wherever and whenever possible.

Turning to the assessment program, the estimates include total expenditures of \$86.7 million, which represents an increase of 10 per cent over 1984-85. However, the increase should be adjusted to recognize two special items. They are a one-time funding of \$3.9 million for the municipal enumeration already referred to and an investment of \$1.3 million in new computer systems. I had better make that plural for the benefit of the Minister of the Environment (Mr. Bradley), who is interested in these matters.

As a result, the funds available for regular program operations are reduced to \$81.5 million, which is virtually equal to last year's actual expenditure. Again, no allowance is made for the cost of increased work-load pressures, computer services or general reductions in purchasing power.

At the same time, the program's total staff will be reduced by 18 person-years compared to last year. Further, the new total of 2,152 also includes a special allocation of 51 person-years for the triennial enumeration exercise. Therefore, the staff available for the program's regular operations actually will be reduced by 69 person-years. In a broader perspective, this

means the total staffing has been reduced by 446 or 18 per cent since 1979 as a result of ongoing budgetary constraints.

I shall now briefly describe some of the major developments in the assessment program in 1985-86.

The overview of the program's resources in 1985-86 demonstrates that, like other parts of the ministry, the assessment program must deal with increasing work loads and program changes within severely constrained budgetary allocations.

Members may recall, following my economic statement in July, I announced a constraint of \$250 million. This was applied across the board to all ministries, including the Ministry of Revenue. We were actually able to accomplish a constraint of \$260 million. The Ministry of Revenue, which is essentially a service industry looking after revenue exclusively and certain other programs, was able to meet the level of constraint dictated.

In 1982 the development of a new computer system called Office Automation Services and Information Systems began. This is the largest single investment project undertaken in the ministry and is designed significantly to increase productivity throughout the network of 31 regional assessment offices and 10 suboffices. After being fully tested in two regional offices, OASIS became operational in 22 regions and seven suboffices by July of this year. Installation in the remaining offices is scheduled for completion by July 1986.

In addition to increasing the program's production capacity, OASIS will result in a range of improved services to municipalities and ratepayers. For example, by late 1986, municipalities will be able to gain direct on-line access to their assessment data bases for a variety of planning purposes. Similarly, at a later date we plan to provide ratepayers with complete information on the calculation of their assessment. Apart from improving their understanding of the assessment process, this will greatly assist ratepayers in preparing appeals.

I believe the OASIS project is an excellent example of the ministry's businesslike approach to exploiting new technological opportunities. First, the total cost of developing OASIS is expected to be \$4.6 million, which is less than the level approved by Management Board in 1982. Second, the members will be interested to know that these funds have actually been borrowed from Management Board and will be repaid with 15 per cent interest.

Members will recall that the Assessment Act was amended in 1982 so that full enumeration of municipal residents and voters would henceforth be conducted on a three-year cycle to coincide with municipal elections. Consequently, this year the ministry conducted the first full-scale enumeration since 1982. This was a major undertaking which had to be completed in only one month. The following points illustrate the size and complexity of the exercise.

All regional assessment staff were involved, while 10,451 enumerators were hired and trained for the field work. During the first 15 days, 3.2 million household units were visited and 1.4 million enumeration notices were mailed to industrial, commercial and nonresident owners. The preliminary lists of voters were delivered to 838 municipal clerks on September 25 and October 4 and contained some 6.6 million names. Over the same period, school support lists were delivered to every municipality and school board. In addition, 162,900 eligible jurors were selected and jury service notices have already been mailed by the Ministry of the Attorney General. Finally, revised lists of electors were delivered on October 23. I am pleased to report that each stage of the enumeration process was completed on schedule and within budget.

As minister, it might be appropriate if I were to express my thanks not only to those people who supervised it at the ministerial level, but to those people in the field who had to work very hard to accomplish what I have just described. In particular, I would like to draw members' attention to the absence of adverse reports on the conduct of the enumeration and to the accuracy of the results.

As an example of the appreciation expressed by a number of municipalities, I refer to a letter in the October 25 edition of the Sault Ste. Marie Star in which the city clerk notes that he added only 254 names or less than one per cent to the ministry's list. Mr. Lindsay goes on to say, "This tells me that the job of enumeration done by Ted Perks and the staff of the Ministry of Revenue was exceptional."

4:10 p.m.

I would like to comment briefly on the 1,000 equalization factors which the ministry is required to calculate annually for every municipality and for school boards in unorganized territories. These equalization factors are important because they are used in apportioning county and regional government costs and the education

levies among municipalities, as well as in calculating provincial grants.

The calculation of the factors is a major and complicated process that involves all property assessors for about two and a half months, starting in January. Their main task is to sample about 10 per cent of the total assessment of a municipality, using valid sales supplemented by appraisals.

The real test of the quality of this service is the number of municipalities which appeal their factors to the Ontario Municipal Board each year. In 1979, which was the first year in which equalization factors were prepared since being frozen in 1970, there were 144 appeals. Since then, however, the rate of appeal has been consistently less than one per cent, while in 1984 and 1985 only two appeals have been filed, representing less than 0.2 per cent of the total of 1,000 factors.

Another major responsibility of the assessment program is to provide municipalities with supplementary assessments on buildings that are constructed or improved and in use during the year. Since supplementary assessments generate extra and unbudgeted revenues, the program has steadily improved the service to municipalities in recent years. We estimate that approximately 191,000 supplementary assessments will be delivered this year. This will yield about \$94 million in additional municipal tax revenue, an increase of eight per cent over last year.

Finally, I wish to report on the progress of the ministry's reassessment program under sections 63 and 70 of the Assessment Act. This year we expect to implement 59 reassessments for taxation in 1986. This total includes first-time reassessments in 26 municipalities, the largest of which is Mississauga, as well as updates of earlier reassessments in London, Ottawa and 31 other municipalities.

If these 59 municipalities decide to proceed, the total of first-time, section 63 reassessments since 1979 will be 473. Together with the 145 municipalities which have been or will be reassessed at full market value under section 70, this means 618 or 74 per cent of 838 municipalities will be covered by the program. One measure of the success of the program is that we have had a full order book every year since 1979, and we already have 40 advance orders for 1986.

Another measure is the number of municipalities which have requested updates. Such requests are increasing each year. We expect the total to reach 111 by the end of this year. I shall return to

the question of possible changes to the reassessment program at a later point.

In past years I have heard previous ministers talk about the priority given by this ministry to exploiting computer technology to increase productivity. Consequently, when I was appointed Minister of Revenue, I made a point of visiting our head office in Oshawa. I can report that I was impressed by the ministry's use of a wide range of advanced computer systems and with the obvious efficiency of operations and the enthusiasm of the staff.

However, I was even more impressed by the ministry's recognition of the impact of technological change on staff and the attention given to training staff to deal effectively and efficiently with this change. In this connection, the OASIS project, which I have already mentioned, provides an excellent example of the ministry's approach to staff training.

First, the implementation of OASIS in the 29 regional offices and suboffices entailed a massive training exercise involving 1,335 managers, assessors and support staff. Similarly, starting next January, ministry trainers will instruct an additional 600 staff in time for the installation of the new system in the remaining regional and suboffices by July 1986.

In addition to OASIS training, the expanded use of word processors and microcomputers across the ministry has necessitated an increase in technology training. In this connection, the ministry undertook two studies of the management of technological change.

The studies describe the ministry's principles and objectives for human resource planning and the need for a co-ordinated strategy for staff development and training. I shall be most happy to provide copies to any member who might be interested in this subject.

One significant feature of our training is that it is not confined to certain staff levels or classifications. It involves all levels of management up to and including the deputy minister. They have not attempted to take on the minister in this staff training up to this date; they may feel it is a lost cause.

In 1983-84 and in 1984-85 the ministry provided more than 800 participants with training for a wide variety of work-station, computing hardware and software applications. By the end of this fiscal year an additional 400 staff will receive such specialized training.

Further, as our investment in advanced technology accelerates, we are taking steps to increase significantly our education and training

capacities to approximately 1,000 participants on an ongoing annual basis. To achieve this objective, the ministry will establish a new technology demonstration and training centre in Oshawa that we believe will be the first of its kind in a line ministry in the Ontario government.

This centre will enable us to provide hands-on training on a large-scale and cost-effective basis. It will also provide demonstrations of new computing hardware and software products to end users as well as specialized assistance in their application to specific business needs.

Finally, we recognize that the key to the efficient use of our technology investments and of our human resources generally is critically dependent upon the awareness, skills and training of our managers and senior executives. The ministry has for a long time used a variety of management training courses provided by the Civil Service Commission and external agencies as well as courses and seminars within the ministry.

However, these courses do not fully meet our requirements, particularly in training managers to deal with the specific requirements of the ministry's programs. Consequently, we have acquired and developed a comprehensive management training package, which has already been provided to 175 assessment commissioners and managers. By the end of December this total will rise to 236.

Starting in January, this training program will be extended to managers in the tax revenue and grants program, the support services division and the Province of Ontario Savings Office. Our objective is that all of the Ministry of Revenue's managers and supervisors receive at least one training program a year on an ongoing basis.

In addition to recognizing the need to provide career development opportunities to our staff, I wish to assure the members that my ministry fully endorses the government's commitment to affirmative action. During the past several years, the Ministry of Revenue's affirmative action program has made considerable gains.

For example, the wage gap has decreased significantly, with women's earnings equalling 69 per cent of men's earnings in 1985-86 compared to 60 per cent in 1977-78. During the same period, women's share of employment in the ministry increased from 38 per cent to 42 per cent. The number of women in the office services category, a traditional area of employment for women, declined from 374 in 1977-78 to 178 in 1984-85.

The number of women in the administrative services category increased from 134 to 207 in the same period, while in the administrative management module the number of female employees increased from 66 to 134.

Between 1980-81 and 1984-85, the ministry established a total of 190 hire-promotion targets in the categories in which female representation was less than 30 per cent. The ministry exceeded this by 23 per cent in achieving an actual total of 234 such targets during the period. Similarly, a total of 165 accelerated career development targets were planned by the ministry between 1980-81 and 1984-85. This total was exceeded by 59 per cent, with 262 women receiving accelerated career development opportunities.

Under the Ministry of Revenue career advancement program, developed to facilitate internal recruitment into the property-assessor and tax-auditor career paths, satisfactory gains are also being made. Since 1981, 27 women have been recruited into the property-assessor entry-level position out of 37 appointments. Since 1979, 18 out of 31 tax-auditor entry-level positions have been filled by women.

4:20 p.m.

Finally, specific targets for 1985-86 included 48 priority hirings and promotions in the underrepresented categories, of which 44 have already been achieved. Of the planned 65 accelerated career development assignments for women, 79 have been achieved, so we now have revised the year-end target upward to 85.

I turn now to the larger question of assessment policy. All the honourable members are aware of the long-running and inconclusive debate on comprehensive municipal tax reform since the 1960s. I have already noted that the ministry has made good progress with the local section 63 and section 70 reassessment programs since 1979.

Nevertheless, many fundamental problems remain unresolved and, most particularly, no progress has been made towards a consistent and equitable assessment system in Metropolitan Toronto. This, in turn, has generated considerable debate concerning the sharing of Metro costs and assessment of renovated properties. Consequently, when I was appointed Minister of Revenue, I immediately took two steps.

1. I authorized the release of the studies the ministry undertook in 1982 on the impact of reassessment in Metro Toronto. My purpose was to allow the Metro and municipal councils to review the studies as a basis for discussion on how they might wish to proceed with assessment reform. I was pleased that the chairman of

Metropolitan Toronto, Mr. Dennis Flynn, responded by immediately establishing a task force.

2. I asked my parliamentary assistant, the member for Waterloo North, to undertake a review of assessment across Ontario. The primary objective of this review was to pinpoint the most important issues and to recommend practical solutions. Emphatically, I did not want another long, drawn-out study. I wanted a businesslike plan of action which would break the stalemate that has existed in this area for more than 15 years.

My parliamentary assistant has fulfilled his mandate with the able assistance of Mr. David Goyette. I was pleased to table his report in this House on November 8 and to distribute copies to all members to allow them to review it during last week's recess before these estimates began.

In my opinion, the report advances a clear and sound set of principles and objectives for progress in property assessment and municipal finance and its 53 recommendations establish a valid agenda for action in the immediate future. Naturally I value the opinions and views of the honourable members, representatives of municipalities and all interested citizens in these matters.

I shall not describe the report in detail at this point. Briefly, however, the recommendations of the parliamentary assistant may be summarized under four main headings.

First, the report recommends that the present section 63 and section 70 programs be continued to cover those municipalities that have not been reassessed to date. It also advocates that the programs be made available on a region- and county-wide basis and that reassessment be subjected to regular updates every four years.

Second, the report proposes that an enlarged task force be appointed to study the unique problems of reassessment in Metropolitan Toronto and to recommend ways in which it can be accomplished to the satisfaction of all parties.

Third, the parliamentary assistant deals with the assessment of renovations, which has been the subject of considerable controversy in appeals in recent years, particularly in Toronto. Most significantly, the report recommends that municipalities be allowed to give higher exemptions, that is, above the present limit of \$5,000 in market value, and further, that the method of assessment be changed so only the value of renovations be added to the rolls, with basic assessments remaining unchanged.

Fourth, the report recommends that the ministry take steps to clarify its assessment practices and to provide ratepayers with more information on how their assessments are calculated and how they may appeal these assessments. Similarly, the parliamentary assistant suggests various ways in which procedures of the assessment review board can be improved and streamlined to the benefit of the ratepayers.

In conclusion, I am most anxious that this report be studied and discussed as soon as possible so the government may take appropriate action. For this purpose, it has been widely distributed to all municipalities and many interested parties and is available free of charge at the government bookstore. In order to proceed with assessment reform, however, it is critical that municipalities respond on two main points.

First, it is important that the task force on reassessment in Metro Toronto should commence work immediately. I fully recognize the size and complexity of the undertaking and my ministry is prepared to provide every possible assistance.

Second, although the local section 63 and section 70 reassessments have been well received outside Metropolitan Toronto, we need responses from the Association of Municipalities of Ontario, from regional and county governments and from individual municipalities on the report's recommendations, especially those concerning the municipalities that have not been reassessed to date, county and regional reassessments, and mandatory updates.

In this regard, it is encouraging that a number of regions and counties have already requested section 63 reassessments. I am pleased to announce today that, in consultation with my colleague the Minister of Municipal Affairs (Mr. Grandmaitre), I have instructed my staff to produce a tax impact study in response to a resolution from the region of Sudbury. This will be presented to council later this fall and, if it is accepted, the region will be reassessed for tax purposes in 1986.

This concludes my introductory remarks to this year's estimates of the Ministry of Revenue. I would be pleased to hear the responses from the representatives of the other two parties and also to respond to questions over the next six hours.

Mr. Dean: I am pleased to respond to the first session the minister has experienced as the Minister of Revenue. As he says, one has been accustomed to having his good responses, his keen observations on the statements of previous ministers.

I do not intend to make a long formal response at this time, I will save more comments for the detailed description; however, I would like to say that I understand, having sat in the minister's shoes for a very short time. Or do you stand in shoes? Whichever it is.

Since I did so for a very short time before the transformation took place here, I can support what he says about the extent to which the ministry has attempted over the years to implement technologically modern improvements in the way work is handled. It is very obvious from the fact that staff complement has gone down, according to the latest details we have here, that under previous ministers and I guess for many years under the same deputy minister we now have, the ministry has been successful in implementing the introduction of proficient use of technological change.

This is certainly important in the Ministry of Revenue, where the main function, aside from the assessment portion, is to make sure revenue comes in. We certainly do not want to spend any more than we must in collecting. It is a self-defeating exercise if one spends too much to bring in what one is getting. Therefore, efficient operation is extremely essential and the extensive use of electronic data processing and other modern devices, including handling and so on, are absolutely essential.

I certainly commend this where the cost benefits show it is practical. I could not help but notice in the estimates we are beginning to consider there is a reference in many vote items to what are called by a beautiful phrase, "the enhancement of electronic data processing systems."

I do not know whether this is inspired by a word that has come down to us from the federal government regarding free trade. I would rather hope not, because one never knows what "enhancement" really means when it is used in that sense. I hope this means that in all these branches in which enhancement is the order of the day there will be certain standards applied so that we do not enhance ourselves into inefficiency. At the same time, I hope there is co-ordination throughout the ministry. I believe there is, but I would like to have the minister's assurance there are certain standards which we will attempt to reach but not exceed for the sake of having the latest toy on the block.

4:30 p.m.

I think there also should be some reference, perhaps by the minister at some time during the estimates, to how the work with computers in the

Ministry of Revenue is correlated with what is going on in other ministries of the government, particularly with the role of the Ministry of Government Services, which supplies those services for some parts of the government.

My only concern about it is that we are not duplicating things. The minister, being a man of the soil, would not want to be ploughing the same field twice either.

Mr. Villeneuve: He rotates his crops.

Mr. Dean: He rotates his crops; that is good. It gets more difficult if he has to dig them up for rotation.

Along the same general topic, I notice in the tax revenue and grants program estimates that there is an actual decrease in the amount of funds budgeted for certain items this year—travel, communications and so on—because of past productivity gains. That is what it says there; I assume that is accurate. That is good if the investment in greater productivity items has produced that higher productivity. That is something we can hold up as an example of how all government ministries should operate.

Speaking briefly on the reassessment issue, as the minister has so humourously put it I had a lot of time last week to look over this blue tome—

Hon. Mr. Nixon: It is the right colour. We thought it would appeal to the member.

Mr. Dean: It did appeal to me. I am sorry, I was engaged in another bluish activity.

Hon. Mr. Nixon: At least the member's voice survived.

Mr. Dean: Somewhat better than certain of my companion frogs. This is not a racist remark.

Mr. Villeneuve: Multicultural.

Mr. Dean: The reassessment program that has been going on under the so-called section 63, and to a lesser extent section 70, was probably the best that was achievable at the time. There was considerable study to reform the taxation assessment system in 1972, when Darcy McKeough was the Treasurer of the province and the person who is now the member for Wentworth (Mr. Dean) was the president of the Association of Municipalities of Ontario. We spent a lot of time with a lot of good municipal and provincial staff coming up with suggestions that would rationalize the assessment program and make it fair not only within categories, as section 63 attempts to do, but also among the categories, which is a much tougher proposition.

We came up with a sort of solution. The parliamentary assistant, the member for Waterloo North will remember it because he was active

in the association in those years. The only problem with it was there was about \$450 million needed to make the system work so there would be no hardship on those who would be adversely affected by the introduction of the system. As a result, that did not fly, and someone came up with the section 63 type of assessment.

It is interesting to note that one of the items mentioned in these Taxing Matters, which I am sure reflects—is this little joke on Taxing Matters the idea of the member for Waterloo North?

Hon. Mr. Nixon: That is a pretty good title.

Mr. Dean: It is not bad.

It is interesting to note that one of the items recommended in there specifically in connection with the Metro Toronto situation, which is the worst in the province, is that the province should, under certain conditions outlined there, declare that it would be willing to bring in a system of grants to alleviate hardship on low-income people. That is another twist of the suggestion that was made those many years ago where, without getting into details, a large sum of money seemed to be needed to make this assessment improvement function properly.

One of the things that will come of the studies—and maybe the information is already available somewhere—is how much money we are talking about to make this work. I presume it is monumental.

Hon. Mr. Nixon: It could be as much as one would want to dump into it.

Mr. Dean: The minister has answered the question very truthfully: “As much as one wants to dump into it.” Obviously, if one were to put something like that into effect in Metro Toronto, there would be other places in the province that would be equally eligible. I am sure that all those bodies and individuals who will be responding to Taxing Matters will at some point raise the question of whether it is a good precedent for us to say we are going to bail somebody out because the municipality in which he lives happens to have an anachronistic assessment system. That is for the future.

I support section 63 as a first step towards the thorough reassessment of the province in all its parts. Having gone through the operation when I was the head of my own municipality, I know it can have its ups and downs. In most municipalities there are more on the up part than there are on the down, but one naturally hears mainly from those people who are going to be adversely affected by it.

I probably should not point this out, but it is nevertheless true that the taxpayers and the

property owners who are adversely affected by a section 63 reassessment are those who have been getting a free ride or a partial free ride at the expense of the rest of the municipality and its taxpayers for some years, so there is an averaging out at this time. That argument does not sit very well with one’s constituents when they come in and say, “My taxes are going to go up 50 per cent because of your stupid reassessment program,” but one certainly feels like saying it sometimes. An element of fairness is brought in this way and it should be extended.

I am interested to see there is also a reference in the minister’s introductory remarks to more emphasis on making it available and on encouraging it to be available on a county-wide and region-wide basis. That is also overdue and it is to be encouraged without our actually being seen to meddle as a government in the affairs of municipalities—not any more than we ordinarily do, anyway.

There is a curious little anomaly I noticed in one of the items in the assessment section where, after the minister’s general comments, he said an increase had been proposed in salaries for recruitment. This sounds as though they are going to hire more people. At the same time, in the same vote there are plans for fewer staff. I do not know how we would work this. We are going to recruit people but we are going to fire them the next day perhaps? I could not quite see how we would have more salaries but fewer staff, unless he is going to hire a lot of high-powered help and get rid of some of the low-powered ones.

Still on the subject of assessment, there are some parts of Ontario where certain condominium owners have had some unfortunate results from the most recent way of calculating assessments for condominiums. The minister knows as well as I do that there was a court case on the subject which was supposed to be the definitive word on it until the legislation was changed. The legislation has not been changed. Some of those people still feel they have a legitimate grievance in that they are compared not only with other condominium residences but also with all kinds of single-family residences in the community.

Hon. Mr. Nixon: That was as a result of the court case, as the member recalls.

Mr. Dean: Yes. I do not know whether anybody has put his head to this to try to figure out how we can get around that, but it seems to be unfair.

Hon. Mr. Nixon: The report deals with it to some extent.

Mr. Dean: We will deal with that later, then.

In the estimates there is a small item that has a particular connection with me and maybe with some other people whose roots go back to the farming era, and that is the Province of Ontario Savings Office. It is not necessarily something with a high profile, but my family and I have been longtime users of the services of POSO. One of the reasons is that it has always given us a better deal on the things it can provide than other places have. It is not a bank and it does not pretend to be a bank, but the ones I have dealt with have been extremely well staffed, and I think the POSO should be expanded.

4:40 p.m.

I notice there is a reference in the Revenue estimates to surplus revenues being ploughed back into the provincial system. I would be interested in knowing what those surplus revenues are and also what the benefit is—I am sure it is probably somewhere in the budget, if not here—from the use the province makes of the funds it can borrow via POSO for general provincial expenses.

I am sure there is something very worth while cultivating there but I have also heard rumblings that some people in the past have thought that POSO itself was a very inefficient tail of the whole provincial dog and perhaps should be cut off. I hope the minister is going to consider enhancing its role rather than cutting it off, if that is the word in vogue today.

One of the items in the budget that is referred to in the opening statement is the simplification of tax measures for small corporations by abolishing the need to file an annual tax return. This sounds like a good thing but I have had a few questions from small businesses in my riding. They say it has produced a probably unintended, unpleasant surprise for some of them whose fiscal years happen to end at certain times. People who have been enjoying the tax holiday have suddenly found themselves eligible to pay some taxes they were not really counting on paying.

We can discuss that later and see whether it is a misunderstanding on their part or whether it is a machiavellian attempt to take with one hand and give with the other. The minister may wish to review that. If there is something of that nature with substance, perhaps a transitional, easing policy might be possible.

I am pleased to see that the equalization factors, according to the minister's statement, have pretty well levelled off, so people are not getting uptight about them. Just to make sure that

we still have a vision, it will be a great day when we do not have to have equalization factors. Is the minister gearing towards that? He might want to give it some thought, although everybody is already equalized automatically.

Hon. Mr. Nixon: That was the whole point of centralizing assessment.

Mr. Dean: The minister had his chance. Regarding the Epp report—is that the right thing to call it or do we just call it Taxing Matters?

Hon. Mr. Nixon: Either is fine.

Mr. Dean: Okay. In regard to Epp the taxing master with his Taxing Matters, just in a preliminary way without wanting to prejudice anything, I would say there are some good recommendations in it; probably not all of them are but some are. The need for a Metro task force or something similar has been well documented.

Personally, living in a reassessed municipality, I also agree that those new assessments should be updated on a regular basis. It is suggested they be done every four years. It is difficult sometimes to get municipal people to go through that agony twice, however, and so that may have to be mandated.

I shall have a few questions about the policy on renovations later. That, like some of the others, should be thoroughly vetted with the municipalities and the municipal associations before we jump off the deep end on it. The emphasis that has been made in the report on consultation with the municipal associations, especially with AMO and with individual municipalities, is excellent and I hope we get some good response from them.

Finally, the Epp report refers to the idea of getting more information out to the taxpayers to help them with appeals, to provide reasons for decisions and the other things recommended there. It should be seriously considered whether we are not just adding to the cost of paperwork and other informational expense which all too easily snowballs.

The principle is correct, and I look forward with interest to what will be developed out of the report. I know that is not strictly part of the estimates, although I expect there will be some ongoing costs for its development. With those few introductory comments, I await with interest the comments of the other members and the minister's response.

Mr. Lupusella: Before starting my comments in relation to this important ministry, I would ask your indulgence, Mr. Chairman. I would like to introduce to the members of this Legislature

some important guests from Italy who are sitting in the public gallery.

I am sure everyone here knows Mr. Laureano Leone, former President of the Italian Congress. With him are guests from Italy, Mr. Gaetano Novello, president of the Abruzzo region, along with Emilio Batillo, vice-president of the region of Abruzzo. They came to celebrate the 10th anniversary of Il Coro Lancinese. I am sure everyone has heard about this folkloristic group that has been operating within the Italian community for so many years. I hope they will enjoy their stay here in Toronto, and it was a privilege for me to introduce them to this Legislature.

Mr. Mancini: On a point of order: Mr. Chairman and members of the House, I want to join my honourable colleague in welcoming Mr. Leone and Mr. Novello and our guests from Italy and say how proud I am that they are here visiting with us today.

We have just come from the office of the Premier (Mr. Peterson) where we spent the better part of 45 minutes discussing the friendly relations that Ontario has with the region of Abruzzo. We spent some time discussing the large number of Italian-Canadians living in this great city and this great province who actually have come from the region of Abruzzo. I would like to say, as my colleague has said, that we are always pleased to have visitors from Italy. In particular, I am pleased to have Mr. Novello here since I am from the region of Abruzzo.

I would also like to thank the mayor of Abbateggio, which is the small town where I was born, for sending a small gift through the honourable Mr. President, and I want to extend through this House my warmth and good feelings on having received this gift. It was something of a surprise to me, so when our friends return to Abruzzo, I hope it can be said that we have truly enjoyed their visit.

I truly enjoyed the thoughtfulness of the mayor of Abbateggio and I look forward to returning to the small village where I was born to once again greet my relatives and friends and, in particular, to personally thank the mayor.

I wish you a very good stay here in Ontario. We wish to continue our friendly relations. At this point, I must add that it is a heartfelt experience to meet so many distinguished people who continue to bring good relationships between our two provinces. Thank you once again. Safe trip home.

4:50 p.m.

Mr. Lupusella: In the name of multiculturalism, I would like to say a few words too.

[Remarks in Italian]

If I may get my mind to the business of the day now, we are dealing with an important ministry which employs 4,000 people and has a budget of \$680 million, if I am not mistaken. Again, the minister might correct my figures if I am wrong.

When we take into consideration those two components, we see the Ministry of Revenue is really an important one which should not be overlooked. Each item and program implemented by this minister should be considered and should attract importance to the review of his ministry.

I did not have the opportunity to convey my appreciation to the minister, who delivered his opening remarks before getting into the main core of the estimates and then said six hours had been assigned for the review of them. Again, I want to emphasize the importance of this ministry. I have been fighting to get more than six hours and I am sure that if I am the critic next year I will be able to have more time assigned to the overall review of the assessment.

I said I am not sure if I will be this ministry's critic next year because I do not know the minister's intention about pursuing the issue of amalgamation with the Ministry of Treasury and Economics or whether he is going to keep the Ministry of Revenue separate, even though in his capacity as a critic around 1980 or 1981 his views were that amalgamation of the two ministries would eventually take place.

He might correct my remarks, but I am sure the minister will have an opportunity to tell the members whether he is planning to keep that ministry separate. Is it just an assignment of that specific portfolio given to the Ministry of Treasury and Economics or is he planning to amalgamate both ministries?

Having said that, the reason I was pleased about the minister's opening remarks was particularly in relation to the principle of informing the public and members of the Legislature about innovative programs which have taken place in the ministry. The other reason I was pleased was that for the first time he tackled an important issue which is related to assessment of properties. Members of his party raised this issue several times when they were in opposition and they were concerned about it, particularly in Metropolitan Toronto.

The approach used by the former administration was to convey the message outside that they were concerned, they were studying, they were

reviewing the issue of property taxes, they understood that something was wrong and maybe they were trying to make radical changes in relation to this issue; but we also saw their inability to face this particularly sensitive issue for political reasons.

Having been a member and having represented the great riding of Dovercourt for the last 10 years, I have observed that candidates running for the Conservative Party have always raised the issue of property taxes during elections, but there was no way the former administration would tackle this important issue, which affects thousands and thousands of people across the province.

I do not think this issue is the only important one. Taxation in general should be debated under this ministry. To set the tone of my criticism, it is a criticism that has been caused by the past administration and its inability to solve problems in Ontario. I am sure the new minister and the new government will have an opportunity to test their political ability to face these issues and to try to put an end to 42 years of injustices that were caused by the previous administration by making people suffer in Ontario.

I know this ministry is a very sensitive one. Nobody wants to talk about taxation. When I was the critic for the Workers' Compensation Board it was the same thing. When certain ministries or levels of government were opened up and a human touch was supposed to be implemented, there was no way the Tories would be moved to try to take into consideration the concerns coming from citizens across Ontario.

We have seen this ministry only as a collector of taxes from different sources in Ontario and from the citizens of this province. Of course, this ministry has a duty to make sure the legislation that has been enacted by this parliament will be carried out on the basis of the principle of the law enunciated within the framework of the specific legislation.

As the minister may recall, I had an opportunity to speak on the unfairness of the provincial sales tax and on how the small business community would be affected by amendments the Treasurer introduced in the last budget. My particular complaint has been that the last budget was not based on the principle of doing something for the small business community. Considering the importance of the small business community, I think the government has to do something about it.

5 p.m.

I would like to make reference to the issue of the retail sales tax assessment branch of that ministry. Recently I was contacted by several constituents from my riding and from other ridings, small businessmen who were injured working on construction sites and were faced with permanent disability awards. As a result of the board helping them to open a business, they are faced with the issue of paying retail sales tax to the government, and most of the time the assessment has been too high.

I am pleased with the minister's approach to extending the period of time for assessment appeals. With the previous administration we were faced with the principle that if people did not launch an appeal at the proper time they would be penalized in the sense that they could not appeal any longer. I think the same principle stands in relation to the principle of the assessment of properties. Last year I remember by ministerial decision the period of time to extend the assessment was postponed.

The former administration tackled this issue in a very rigid way without the human touch. A lot of people were not aware of the time within which they were supposed to launch an appeal on their assessment and were penalized because of that. The issue of a fair system of taxation should be tackled by this government and by this minister. They have to implement the general tone in which this government took office, that it should be open and more sensitive to the public and use the human touch when dealing with the problems that affect our citizens.

For example, I mentioned the issue of small businessmen in my riding, where owners have been helped by the Workers' Compensation Board to open a small business because they could not go back to the same kind of work they used to perform. They are faced with the terrible problem of assessment, which most of the time is too high. If one takes into consideration that the business may be located in a nonprofitable area, the assessment sometimes is even harder to fight because the government uses computer analysis.

That is how they compare the profits and how they compare the assessments, and the owners have to pay without taking into consideration the social condition of individuals and the location of the business, which is usually in an area where they do not make very much profit. I believe the government expects them to pay the assessment on the principle of computer analysis rather than human analysis.

I hope the minister will take some time to review this situation, to comply with the

statement made by the Premier that he would like to be humane in the implementation of the law without dealing with the bureaucratic frame of mind of people who are putting legislation into effect, which is very rigid most of the time. They implement the principle of the law, but we as legislators have a duty to take into consideration the conditions of citizens of Ontario and try to help them.

There is a popular expression, "The money has to come from somewhere." Since I became the critic I have always said that the most unfair system in Ontario is in relation to property taxes. That is why the time allocation of six hours is not enough. If we want a fair and sensible debate on that issue we should spend 10 or even 15 hours trying to find solutions.

The Minister of Revenue is looking for solutions. At the moment it appears that we are at the stage of consultation in which regional municipalities are supposed to respond to a study on property assessments in Ontario. The study on assessments is the result of the sensitivity which the Liberals had before and after the last provincial election, trying to put an end to an injustice which we are all aware is there.

In the past, municipalities complained about a reduction in transfer payments from the province to the municipalities. Property assessments played a major revenue role, supplementing the money the Tories were not willing to give to the municipalities and complementing the revenue the Tories needed to comply with their unfair spending practices over the last 42 years.

The home owner has been paying the price for so many years while the Tories have been so generous with industrial grants. I would like to see a report on the recovery of those industrial grants somewhere. The Liberals have an obligation to investigate all the industrial grants given by the Conservatives in 42 years and to find out when this money is coming back into the Treasury.

In the past I had the opportunity to review entire books of these industrial grants. The amount of interest given to industries across Ontario is two per cent for the next 20 years. It was a ridiculous approach used by the Tories to help their friends and was politically motivated only. That is why they stayed in power for so long.

When is this money coming back into Treasury hands? An investigation is appropriate to find out the legality of putting out that money, where this money went and when it is going to be recovered; and to find out how much money

Ontario will lose on the recovery of these grants, based on the principle of ridiculous interest rates given to big companies across the province which are friends of the Conservatives.

5:10 p.m.

The most contentious aspect of this ministry is property taxes. Maybe I went too far in elaborating on the Conservatives. I will go back to the principle of transfer payments from the province to the municipalities. If the municipalities receive less money from the province, property taxes go up. It is a fact and it has been a fact for many years.

In different municipalities, people are calling to inquire and complain about their assessments. I can give the members assurance about that with respect to my constituents in Dovercourt. The municipal position is, "Do not complain to us; complain to the province." The province's position is, "Complain to the municipalities." The municipalities raise the level of property taxes maybe six or eight per cent every year, which eventually has nothing to do with assessments.

We cannot play games on this issue, because in this part of the House we view the individual's first home as a right, not a privilege. I think each citizen in the province should have the right to be the owner of a house; but if the first home in particular should become the basis of revenue for each municipality in Ontario, I think we are counter-reacting and defeating an important human principle, which is the right to live in and have one's own house.

It is an essential commodity. One cannot be without food, and housing is the same thing. When we understand that particular principle on a human basis, then we can also understand the principle of fair taxation on property without playing political games or playing with human beings.

I think citizens have been looking at the new government with an open mind. It has the political will to make this type of reform on taxation. We all understand the need for fair taxation on property taxes. It is time this Legislature tackled the problem, faced it and went to the citizens of this province with a formula which will take into consideration their human needs.

The minister in his opening remarks expressed his eagerness for responses from members of the Legislature and the contribution each member can give to the implementation of reforms in that area. I would like to remind the minister, not as a form of criticism, property tax reform is an

important element of our cause and it should be implemented as soon as possible.

The minister agrees, the New Democratic Party agrees and I do not think I heard anything different from the Tories about what they used to do in the past. I would like to remind members again that they want to use property taxes to generate revenues for municipalities in Ontario. The old principle cannot operate any longer, and I do not think the public of this province is willing to accept this ordeal that came from the Conservatives.

Therefore, if I can make my humble contribution to this important element of property tax reform, I would like to suggest to the minister it is time a committee of the Legislature was formed or a special government white paper commission instructed to operate and come out with a comprehensive method of reform in that particular field.

The avenues open to the government are so many. I would not like to see, for example, the same approach used for this important issue as was used for the government white paper, the Weiler report on the Workers' Compensation Board, then a committee of the Legislature, then other studies to find out the feasibility of implementing the recommendations of the select committee that was formed by this government. It is an important item and we do not want to get into a situation in which, instead of approaching the issue, we prolong it and are trapped in the next provincial election in which property tax reform may be the basis of the election.

I understand the minister and the government have good intentions and they are not willing to play on that issue. Again, I think negotiation is the best way, instead of consulting in private with each municipality to find out its response to the document, *Taxing Matters*, which has been introduced in the Legislature. I understand that eventually the minister will table his replies to each member of this Legislature, but I would like to warn him that the municipalities have a personal interest. There is a conflict of interest in this matter, of course; they want more money coming from home owners.

When the political wind changes in Ontario and the new party in power gives less money to the municipalities in transfer payments, property tax is one item the municipalities will exploit to raise money, along with the party that will decide that an increase in the assessment is the best way to go to get more money from the citizens of this province.

It is extremely important that we not play political games with a family's first home. I would like to go a little further into this. Perhaps the second house can be a matter of investment and other situations might affect the principle of taxation, but we cannot play games with an individual's first home, which has been penalized for so many years. A lot of people do not have the financial status to buy a new home, and yet there is a section of the Assessment Act that penalizes them if they make renovations.

This great province is becoming the province of taxation and nothing else. Consider a poor family with an income of \$12,000 faced with property tax assessments all the time, as used to be the case under the Tories. In my riding in 1981 the assessors of the Ministry of Revenue went out because of the unbalanced market for housing. Prices were jumping; they were skyrocketing. Housing prices of \$200,000 around Bloor and Dufferin alerted the assessors of the Ministry of Revenue. They said: "What the hell is going on? We are losing a golden opportunity to raise money from homes."

That is why we have to understand the principle that the first home should be respected as a right and not as a way for people to raise money. Especially if they have a family and children to raise, they need the human and essential privilege of having a first home.

5:20 p.m.

Maybe the former Minister of Revenue was trying to catch the people who were abusing the market—the speculators and so on—and poor people were trapped in the middle of this crazy game that took place in 1981. Now, of course, the market value of the same home in the same area has gone down, but I do not see assessors going out and reassessing the properties of these people. I am sure the same assessment that prevailed in 1981 is still on, yet the price of housing has gone down.

I do not understand it. We raised an issue in this Legislature and I am going to deal with the issue we raised. The Conservatives made a political decision that market value assessment in Metropolitan Toronto was not supposed to be implemented. A sensitive decision was too controversial. Market value assessment made sense, for example, outside Metropolitan Toronto in other municipalities where the value of the properties is not extremely high.

The market value assessment issue makes sense because the assessment goes down, but in Metropolitan Toronto there is the adverse effect of assessment going up and people are making

renovations. When the real estate market goes bizarre, the assessors move out like mandarins. That is what the former Minister of Revenue did in 1981. He tackled the poor people in my riding; he tackled the Riverdale riding. The citizens of the borough of York are paying exorbitant property taxes because of the inequities of the system.

That ministry is wasting time assessing and reassessing. I wonder why \$680 million is spent when we can find a wise and sensible solution to this problem, which is more equitable and which eventually ends up saving millions of dollars for that ministry.

By the way, I never understood from the briefing material what the unclassified staff is all about. Maybe the minister can give me an answer. The very people who were hired by the former administration during the last provincial election are people who have been hired by the new administration.

The citizens of Ontario are looking for reforms. I would like to convey to the minister my appreciation for his open mind on different subjects affecting this ministry. I am sure something will come out as a result of the change of government, but I think timing should be an issue to finalize all those concerns.

On the issue of assessment on property taxes, the people are waiting for the renovation issue to be dealt with as soon as possible. Does it make sense, for example, to penalize handicapped people because individuals are willing to adjust their own property because of a physical disability?

In the last provincial election I had an opportunity to see some of the people who had been over-reassessed. They were living in their house while renovations took place to adjust for a handicapped child, to build an extra room on the main floor because the child could not go to the second floor to sleep. People such as those have been penalized.

When we are talking about a human touch, it is offensive to see what this ministry is doing on this issue of assessment of property taxes. It is insensitive. I do not know why the former administration did not tackle the issue. It had been playing games with the citizens of this province. It was willing to accept the principle of market value assessment because taxes outside of Metropolitan Toronto did not go up. It was politically attractive to the citizens of this province; but in Metropolitan Toronto the political inability to deal with the issue created human, social and financial problems.

For example, injured workers and senior citizens who do not have children to send to school are supposed to carry the burden of education costs in Ontario. This is the only jurisdiction that is taxing people for each service they get from the government. Education and housing must be viewed as important human rights and not used simply to get money from people.

The minister is giving a \$500 rebate to the senior citizens of this province, but they are supposed to contribute to the education costs to keep education alive. The cost of education should be carried by all citizens of this province and not just by home owners. It is time that we dealt with the important matters affecting people in Ontario even though they may not be popular with certain groups in our society. We have to recognize the unfairness of the system and try to make changes in a province that has been so stubborn with tradition to keep the status quo, because the status quo was a guarantee to keep the same party alive in Ontario.

The cost of education should be shared by everybody. Why not? Why only by the home owners? Why by the individual who got married and is faced with the prospect of having children and being penalized with the assessment and the education cost? At a certain point someone might say, "Where do you get all of this money?"

I would like to see where the industrial grants are going and what they are serving. The previous administration talked about strengthening the industries in Ontario by providing them with these grants. Let us compare how much money they are getting and how many financial loopholes they have to not pay taxes. Let us see how much the people of this province are paying in taxes and let us balance everything.

I am sure the regular citizens of this province are penalized more; and on what? On important issues affecting the nature of the people, housing and education. It is unbelievable.

5:30 p.m.

Again, education is to come from property taxes. It is a cost which is not shared by everybody in Ontario. For example, why are property taxes not tied to the principle of whether a person can afford to pay property taxes? When one agglomerates spending for food, the portion of money which goes to the municipality, education costs and so on, and the income is in the range of \$10,000, I do not know what is left for the education of children in Ontario. They are paying for education, but I do not know what quality of education the people of this province

can provide for their children. There is a need to move in this area as quickly as possible.

The Minister of Revenue must arrive at an acceptable position for members of this Legislature, rather than consulting only the regional municipalities about what they think. As part of the consultative approach used by the government, of course they should be asked. The best approach would be to form a committee of the Legislature as soon as possible to tackle this important matter.

Three or four weeks ago I wrote a letter to a municipality in Metropolitan Toronto. There were constituents outside of my riding complaining about a sidewalk being in such terrible condition they could not use the driveways to park their cars on their own properties. I wrote a letter to the mayor and the alderman to the effect that these people were facing financial problems even fixing their cars, and the mayor wrote me saying, "Why do you not complain to the Treasurer? The province is not giving us enough money to repave the sidewalk."

We cannot play this dumb game. The municipalities should provide the services. They are looking for more money, and sometimes we use the paternalistic approach in this Legislature. We believe in the independence of each municipality, but the interests of the citizens of the province are not taken into consideration because of this motherhood approach used by several MPPs, making a pitch in the Legislature on behalf of municipalities.

By the way, I did not raise my salary by 19 per cent as some aldermen did. Where do those salaries come from? They come from individual home owners. The aldermen in Ontario should be paid by the province. Why not? Why are home owners supposed to subsidize their salaries? There are important issues some people do not want to tackle because they are not politically sensitive. In the name of people who have homes and are supposed to pay taxes—and it is right they pay taxes, but nobody is taking their beefs when they do not get even the important services. I have nothing against municipalities, but if we want to tackle this issue we also have to tackle the ramifications and be willing to pinpoint where the problems are.

I would like to leave this grave area of taxation. I know the present Minister of Revenue was an important element in the past in criticizing the Province of Ontario Savings Office. Now he is in a position where he can make changes. I think the POSO can play a different role, if I may use the approach used by the minister when he

used to be in the opposition, from the role it plays at present.

I would like to remind the minister that in Alberta, for example, the POSO makes money. It is a very profitable institution because the government was willing to expand the operation, to give loans to people and make profits as well. Am I wrong?

Hon. Mr. Nixon: We do not make loans, except to the Treasurer.

Mr. Lupusella: At present we do not.

Hon. Mr. Nixon: The savings office gives all its money to the Treasurer, with one per cent profit.

Mr. Lupusella: To the Treasurer, at present. The minister will have an opportunity to find some money that otherwise he has to go elsewhere to borrow. This innovative approach, which was a component of his criticism in the past, should be easily implemented at present.

I hope I am not boring members. As I stated in my opening remarks, this is a very important ministry, with 4,000 employees falling under the minister's jurisdiction and a budget of \$680 million. Am I correct on that budget?

Hon. Mr. Nixon: Yes, right on.

Mr. Lupusella: Dead on. I would like to refresh the minister's mind about a Liberal communiqué dated April 27, 1985, headed, Liberals Promote a Fair Property Tax Assessment Process. Taxing Matters has been the product of that concern, and I think I was right to convey my appreciation to the minister and to the Liberals for at least having the decency to tackle this problem before the last provincial election.

They were sensitive as well. In their communiqué they heard from a taxpayer in York whose assessment was raised 115 per cent by Queen's Park in 1982. I would like to refresh the minister's memory so that he knows how important it is how people are feeling about this problem. He had a vivid approach when the task force met with the same people. He has an obligation to deliver to those who were not then and have still not been able to receive adequate information on how the increase was calculated.

The task force received petitions such as the one from 31 taxpayers in Sault Ste. Marie who indicated that Queen's Park had increased their assessments without even having bothered to inspect their properties. They heard from two neighbours in the east end of Toronto who both sold their houses in the same year. While one sold for \$37,000 more than the other, Queen's Park had assessed the lower-priced house at 55

per cent higher than the higher-priced house. They heard from hundreds of home owners who said they were denied information from Queen's Park on the calculation of assessment increases on their homes. They could not understand why as income tax payers this information was sent to them but as property tax payers it was denied to them.

5:40 p.m.

I can read into the record the whole communiqué. I understand and that is why I am not willing to read the full comments. I am sure I will have other opportunities to use that material. The Toronto Star published a nice article on the task force formed by the Liberal Party before the last provincial election to look at the issue of property taxes. They have credibility because of the work they did, and now they are in the position of delivering what they discovered in the course of the visits they made across Ontario.

It disturbs me that the government is aware of the inequities of the system, but when we raised the issue on July 4, 1985, and asked the minister if he was willing to roll back all the assessments which had been increased in 1981 and 1982 because of a court decision, I did not see any move from the minister to try to adjust the situation. The only way to protect home owners from unfair property tax assessment was supposed to be taken by the government, based on the decision of the Ontario Municipal Board which was released on July 3, 1985.

The Ontario Municipal Board found, in the case of Toronto reassessments, that provincial tax assessors had unfairly assessed homes by confusing repairs with improvements and by using the assessment had brought in market value assessments through the back door. This ruling is a clear recognition of unfairness that must be ended by the new government. To ensure future reassessments are fair and equitable, we call on the present minister to instruct assessors to change their methods to comply with the crucial board ruling.

The minister will recall I made two proposals which, because of the goodwill of the minister, will be part of the contents of the study which eventually will be done—I do not know when. He was very sensitive to take into consideration the two proposals I made. The first was that no reassessment for repairs or renovations would take effect until the home ceased to be owner occupied or was sold.

Number two was that the reassessments made since 1981 would be rolled back and would be covered retroactively by the moratorium outlined

above. These were two sensitive positions given on July 4, 1985, for the minister to implement at the time. Again I want to emphasize that he has good intentions, but I do not know when his goodwill will be shown in legislative changes which will comply with radical policies affecting the citizens of this province.

We are giving the new government an opportunity to act. I understand that changes cannot come at once. There is a consultation process which has to take place. But the consultation process can be combined with the legislative action of a committee of the Legislature which should be set up immediately to take into consideration the widespread concern about the unfairness of property taxes.

If the minister goes back to August 27, 1985, there was an article in the Toronto Star headlined, "Ontario Promises Property Tax Reform," and the Liberals are again talking about that issue. "Property Tax Storm Is About to Break." Again, this goes back to September 1, 1985. The Globe and Mail said on September 16, 1985, "Worried Liberals Hold Hot Potato in Tax Reform Plan."

I understand the sensitivity of the issue, but the one thing that is clear to everybody is that we are faced with an unfair system of taxing thousands of people in Ontario. I do not think political opportunism should prevail in trying to hold something that we know for a fact is completely wrong. The Liberals should move in a very sensitive way to implement something with which everyone is concerned in Ontario.

I do not want to talk about the analysis of property taxes, which goes back to the former Minister of Revenue in 1980 and 1981. The member for Durham West (Mr. Ashe), if I am not mistaken, was the main political game-player among the Tories in relation to this issue, in a game that taxed the seniors, poor people and people with low incomes in Ontario.

Again on October 1, 1985, another article said, "One-Man Ontario Task Force Seeks Property Tax Reform." Again that comes from the Liberals. They got good publicity in relation to this issue. On October 25, 1985, the Star said, "Condo Owners Big Losers in the Tax Ruling."

The minister had an opportunity to hear the problem affecting tenants in high-rises and condominiums, how they are affected by this issue, and my colleague the member for Etobicoke (Mr. Philip) illustrated a portion of the problem affecting condominium owners, especially in Metropolitan Toronto.

On November 1, 1985, there is another article in the Toronto Star, "At Long Last—A Break on Property Tax Front." The publicity is good, but again it is now proper to call for political action.

I have another two hours of opening remarks.

Hon. Mr. Nixon: We have four left.

Mr. Lupusella: I do not know whether the Conservative member is willing to extend the six hours allocated to this ministry to more than that.

Mr. Dean: I suggest the member shorten his remarks.

5:50 p.m.

Mr. Lupusella: Mr. Chairman, with \$680 million in this ministry, I feel a little reluctant to pass all the votes without comment. I think the six hours allocated to this ministry are unfair.

Again, we can go back to the assessment amendment legislation, which the minister introduced on November 8, 1985. The minister introduced for first reading An Act to amend the Assessment Act, and I think he also asked the members of this Legislature to pass this act immediately, or as soon as possible, or market value assessment would take place in Metropolitan Toronto. This act has been introduced each year since 1970 and we are in 1985.

I have been the critic for the Workers' Compensation Board for eight years and each time injured workers were to get an increase they were supposed to wait until July 1 of each year. It appears that to try to stop this market value assessment in Metropolitan Toronto, we are supposed to deal with an amendment to the Assessment Act every year. It would be reasonable to tackle the issue all at once and try to put an end to this unfair system that has been going on for years.

The municipalities are resisting reforms. The minister has an opportunity to find out the position taken by Metropolitan Toronto in relation to market value assessment. The study urges market value assessment because, as I stated before, it makes sense in some regions of the province whereas in Metropolitan Toronto it is causing problems that must be corrected by other legislative means.

Metropolitan Toronto has formed its own task force to study the issue. There are so many studies going on. Again, I want to emphasize the position we are in now. We need action by the Legislature to try to reform the old system and find a reasonable solution to the issue of reform of property taxes.

In relation to the recommendations contained in Taxing Matters: An Assessment of Property

Taxation in Ontario, we have to recognize some of the recommendations contained in the Goyette task-force report on property assessment reform in Ontario. There are 53 specific recommendations in this report, which is like a blueprint for the comprehensive reform of Ontario property assessment and the taxation system. Whenever the government decides to form a committee of the Legislature, will the minister give it a mandate to open up the discussion of this matter a little bit more without limiting the discussion to just the 53 specific recommendations of the report?

The majority of the recommendations do not need the legislation. It is like improving the system within the system. It is something that can easily be done even though some of the recommendations related to the administrative process or improvement of the system should be debated as well because they will cause some problems to interested groups.

Recommendations 50 and 52 propose the framework and timetable for the comprehensive updating of the Metropolitan Toronto property tax system. That is where the debate has to take place. I understand that at present the government is consulting regional municipalities to find out what kind of position they take.

I would like to warn the minister and all who have been part of this comprehensive study that when there is conflict of interest over the money the municipality needs from home owners in Ontario of course they should be consulted, but the consultation should fall into the widespread principle of the study, which has to be pursued by a committee of the Legislature to find out the pros and cons of their position.

It is something that is affected and I think their position is politically motivated. Their position should comply with the will of the voters as well. Each municipality has to meet the voters every three years. Responding to what can be politically attractive will not solve the problem on that issue of reforms because everyone will play political games.

If the minister wants to review all the recommendations, I think 50 and 52 must be deeply explored by a committee of the Legislature in relation to the issue of the Metropolitan Toronto property tax system. I would be interested to find out what the municipalities have to say on the issue of market value assessment which has been in place now for years in different parts of different regions of the province.

I mentioned to the minister the responsibility of the Ministry of Revenue for the 21 branches of the Province of Ontario Savings Office. Over the years the present minister has discussed with some criticism the inability of the former administration to expand the operation of the POSO into a more active provincial savings and lending institution rather than it serving only as a low-profile savings institution.

As I stated before, now he is the man in power and he can make changes, along with the responsibilities the Ministry of Revenue carries. When we tackled that ministry, we saw that ministry as a way to collect money and be ready

for the next budget. The implementation of the Agricultural Development Finance Act, which falls under the jurisdiction of the ministry, the Assessment Act and the City of Toronto 1981 Assessment Complaints Act, the Corporations Tax Act—

Interjections.

The Deputy Chairman: Order. I would like to draw the member's attention to the clock.

On motion by Hon. Mr. Nixon, the committee of supply reported progress.

The House adjourned at 6 p.m.

ERRATA

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43	1524	1	2	that this government will not buy from Prentice Hall or the school boards will not buy from Prentice-Hall all of the books and educational material on Circular 14? The economic handle is there for Ontario to say it will not allow Prentice-Hall to sell those books in—

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Hansard

Official Report of Debates

Legislative Assembly of Ontario

First Session, 33rd Parliament

Tuesday, November 19, 1985

Afternoon Sitting

Speaker: Honourable H. A. Edighoffer

Clerk of the House: R. G. Lewis, QC



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LEGISLATIVE ASSEMBLY OF ONTARIO

Tuesday, November 19, 1985

The House met at 2 p.m.

Prayers.

STATEMENTS BY THE MINISTRY

EQUAL PAY FOR WORK OF EQUAL VALUE

Hon. Mr. Scott: The achievement of equal opportunity and social justice for all Ontarians is a fundamental and unalterable commitment of the government. For women, this must include employment equity in all its aspects.

On July 19 I announced the formation of an interministerial task force under my direction with a mandate to prepare a green paper on the implementation of pay equity. I am pleased to announce that the task force has completed the green paper, which I am tabling today.

The green paper examines in detail the component of employment equity that is also known as equal pay for work of equal value. Pay equity is a measure that is specifically aimed at rectifying the historical undervaluation of women's work. It is an extension of the long-standing statutory requirement of equal pay for equal or substantially the same work.

The government's commitment to pay equity rests on the principle that it is the value of the work and not the gender of the worker that counts. We hold that after nongender-based factors that influence pay are taken into account, work performed by women that is equivalent in value to that performed by men in the same establishment should be paid the same.

Pay equity is a positive remedy to wage imbalance, which has traditionally linked being a female employee with receiving lower wages. This imbalance is significant. In 1982 in Ontario the average annual earnings for a woman working full-time were \$15,910; those for a man were \$25,562. Full-time women workers therefore earned, on an average, 62 per cent of what men earned. This constitutes a wage gap of 38 per cent. When one considers that 44 per cent of Ontario's work force is female, such inequality cannot simply be ignored. Of the 2.1 million female workers in Ontario, 40 per cent are single, widowed or divorced, the sole support of themselves and their families.

Pay equity is a fundamental goal of the government. Let me make clear that the achievement of this goal for women is not at issue. The commitment to implement pay equity has already been made. Only the methods by which it will be achieved are open for debate and discussion and, finally, decision.

The green paper discusses implementation options in the broader public and private sectors. It outlines fundamental premises and suggests various models and possible measures for pay equity implementation. It considers the potential impact of pay equity upon Ontario's economy and on the collective bargaining process. This approach recognizes the complexities of pay equity. We are determined to address the long-standing injustice of pay inequity. We are equally determined to keep the economy of Ontario strong.

The economic impact on the labour market and the structure of the Ontario economy must be evaluated to ensure that the chosen implementation approach is sensitive to the particular needs of firms, industries and communities, and to concerns about the competitive position of the province's economy.

The concept of pay equity is not new. Other jurisdictions have had pay equity legislation for their public and private sectors. Now we intend to build on their experience to devise a system that is equitable, workable and fiscally responsible. We are committed to achieving a climate of equality and prosperity in Ontario that is second to none.

We do not ask others to do what we as a government are not prepared to do ourselves. Accordingly the Minister of Labour (Mr. Wrye) has undertaken responsibility for implementing pay equity in the Ontario public service. My colleague will be making a statement on this aspect today.

We hope the green paper will serve as a focus for public discussion leading to the development of legislation. The task force that prepared it showed exceptional diligence in gathering information and reflecting the issues and priorities.

In addition to my ministry and the women's directorate, the task force included senior representatives of Treasury, Labour, Industry, Trade

and Technology, Management Board, the Civil Service Commission, cabinet office and the Premier's office. At the time of its formation in July, I instructed the task force to have the green paper ready for presentation to the Legislature and to the people of Ontario this fall.

It seemed, and almost was, an impossible deadline. We were determined to show the people of Ontario that we intend to take prompt action to alleviate a problem that has been evident far too long. As Attorney General, I am well aware that others have said that justice delayed is justice denied. I would like particularly to thank all those who worked on the paper for their dedication.

We do not underestimate the complexity of the task that lies ahead. We must be diligent in choosing an implementation approach that maximizes the positive social and economic benefits of the policy. Those benefits are considerable. For example, more equitable wages could result in increased productivity of the affected workers because they feel more fairly treated. It could also result in lower turnover of employees, and thus in lower recruitment and training costs.

Pay equity could also have a positive effect on aggregate demand in the economy and, in the long run, pensions determined on the basis of earnings increased by pay equity compliance will enable female senior citizens to be more self-sufficient.

It will impose some costs, to be sure. However, in a democratic society market forces must be weighed together with objectives of social justice. This government cannot and will not accept the argument that profit is to be maximized at the expense of unfair discrimination against selected groups of workers.

As a single measure, pay equity legislation will not completely eliminate the wage gap, nor will it totally integrate the labour force. It is none the less a significant step. The government will continue to work on other initiatives designed to address equity issues, such as access to nontraditional jobs, the need for increased education, access to child care and so forth.

A green paper cannot attempt to answer all the questions. It raises issues that need to be resolved. The options for implementing the concept are open for discussion. The methods of application are yet to be chosen.

Vitally important questions will be addressed through wide public consultation beginning immediately after Christmas. We intend to hold hearings in centres throughout the province. This process will involve objective and capable

leaders who will report to the government on the hearings. While we hope this will proceed expeditiously, we do want to receive the views of the public.

Through this green paper, the government offers the people of Ontario the opportunity to develop a better understanding of the concept and the consequences of pay equity. We invite them to share in the shaping of the implementation strategies that will carry us forward to a new era, we pray, of equality for all.

2:10 p.m.

Hon. Mr. Wrye: With the tabling of the green paper my colleague the Attorney General has today taken a major step towards the implementation of pay equity in the private sector and in the broader public sector in Ontario. I think we all realize the importance of this initiative. We are embarked on a process of rectifying the effects of discrimination against women in the work force that have systematically developed over generations. We should not underestimate in any way the magnitude of the challenge, the complexity of the job to be done and the significance of its accomplishment.

As members will know, while the Attorney General has had carriage of the development of the green paper on pay equity in the private and broader public sectors, I have been given the responsibility for developing the government's own program within our public service. Today, I would like to comment on the parallels and differences between these two initiatives.

Let me begin by identifying the strong and central common theme that runs through both exercises; namely, the commitment to full and open consultation. As my colleague the Attorney General has indicated, the whole purpose of the green paper is to stimulate public discussion on the important issues and options that arise from a consideration of pay equity and to provide, therefore, a focus for government's consultation with interested parties.

For our part, in the Ministry of Labour, we have also been engaged in an involved process of consultation with the parties of interest in a pay equity program within the public service; namely, the employer agencies and the public service unions. Though we have been engaged in developing our ideas for only a relatively short period of time, my officials have already had a number of meetings with both of these groups.

It think it is fair to say that the openness of our policy development in terms of our discussion and involvement with the public service unions is unprecedented. We have shared with them not

only our ideas but also discussion papers elaborating the issues we believe need to be addressed in developing the public service program. They, in turn, have responded in an open and constructive manner with reaction to our ideas as well as suggestions of their own. This has not been a process of negotiation but, rather, a co-operative effort in policy development.

Up to this point, our discussions have focused primarily on the identification and elaboration of the issues, and I will have more to say on the relationship of this exercise to the green paper in a moment.

So the honourable members will know the nature of our discussions with the public service unions, I am pleased to make available the paper that we have circulated to the unions with whom we are consulting, outlining some of the options we think are available for addressing pay equity issues within the context of a public service program.

We will be meeting with the unions beginning next Monday to get their input and then, hopefully, to move forward to a resolution of outstanding issues and the formulation of a policy proposal. I hope this process can be expedited so I will be in a position to introduce a bill which is the product of our consultative process as soon as possible.

As I said, there is a major similarity between the government's approach to equal value in the private sector and broader public sector and the initiative for the public service in terms of our emphasis on consultation. There are also obvious parallels in the issues which must be addressed in both exercises. The issues identified in the green paper, the models canvassed and the implications for collective bargaining, for example, all arise in the public service context as well.

We are also grappling with the questions related to the definition of "gender predominance" for groups of employees; with the critical issue of how "value" is to be defined and determined; with the nature of pay adjustments required and whether they should include benefits as well as wages; with issues related to the scope of employee coverage and the allowable exclusions from the application of pay equity plans; and with the numerous practical problems of phasing-in a pay equity program in a way which is both prudent and expeditious.

Moreover, we must consider the major implementation options available: a complaint-based model along the lines of federal government and Quebec programs, a proactive approach such as

has been enacted in Manitoba, or some integrated combination. Finally, we are grappling with the implications of a public service pay equity program for the structure and conduct of our collective bargaining.

It is not overstating the point to suggest, therefore, that essentially the same issues arise in considering pay equity initiatives in both the private and broader public sectors and the public service. For this reason, we have ensured that there has been continuous interaction between those developing the green paper and the group working on the public service initiative. This has been a productive exchange and has ensured that both processes have been comprehensive in their survey of the issues to be addressed and the options for dealing with them.

On the other hand, it is important to take note of the very substantial differences in the context of each separate initiative. As the Premier (Mr. Peterson) has indicated, the government is committed to setting its own house in order as a first priority. In conscience, we cannot and we will not ask the private sector and the broader public sector to do something which we ourselves are not prepared to do.

Therefore, I have been given the responsibility for developing, on an urgent basis, a public service initiative which will have far-reaching consequences for the way in which we deal with our own employees. This, in itself, will have a direct impact on approximately 80,000 workers in Ontario.

There are a number of important differences in context between the private and broader public sectors and the public service, aside from our direct responsibility for the latter. Let me articulate some of the most important in so far as the implementation of pay equity programs is concerned.

First, the nature of the problem to be addressed in the two sectors is quite different. As is made clear in the green paper, only a portion of the wage gap is susceptible to remedy through equal value programs. It is worth noting, however, that the magnitude of the total gap is very different in the private and broader public sectors from the gap in the public service. The aggregate earnings differential between male and female full-time workers in the economy as a whole, including the entire public sector, is about 38 percentage points. In the public service, however, it is only a little over one half as large, namely, 23 percentage points. There is, therefore, a considerably larger job to be done in addressing the wage gap problem in the private sector and the

broadier public sector than in our own public service.

Second, while the wage gap problem may be smaller in the public service than in the private sector, the setting within which it must be addressed is larger and more complex than is typically the case for private sector employers. There is no private employer in Ontario with as many employees or as broad a range of occupations represented in its work force as the Ontario government. Undoubtedly, because of the size and sophistication of the government as an employer, it is in a position to bring the necessary resources to bear on the problem of developing and implementing a pay equity program. The nature of the task, however, is commensurately more challenging than will be confronted by many private sector employers.

Third, at least when one considers proactive approaches and even in the context of a complaints-driven model, it is clear that the collective bargaining process can be utilized to develop and implement pay equity plans that would have the support of employers and workers alike. In the private sector, however, the scope for utilizing collective bargaining is much more limited than in the public service, in so far as a much smaller percentage of workers is organized. Only about one quarter of private sector workers are covered by collective bargaining agreements. By way of contrast, four out of five public sector service workers in Ontario are members of bargaining units.

As the green paper has noted, while collective bargaining may be a useful instrument for development and implementation of equal value approaches, problems do arise in reconciling collective bargaining structures and processes with the requirements of pay equity programs. These problems arise primarily where there are multiple bargaining units within an establishment. Again, there is a difference here between the public and private sectors in regard to the multiplicity of bargaining units. In the private sector, it is the norm for different types of workers to be represented by different bargaining agents. Within the Ontario public service, on the other hand, each employer deals with a single bargaining unit with only two exceptions, the Ontario Housing Corp. and the Ontario Provincial Police.

Fourth, while we are very conscious of our requirement and our commitment to be fiscally responsible, clearly the economic constraints faced by government, though real, are different from the competitive pressures encountered by

private sector firms operating in an international marketplace. While governments have significant limitations on their financial scope to solve problems, they none the less do not have to make a profit to remain viable. This differential impact of pay equity on the public and private sectors needs to be considered.

Finally, we have to recognize that the move towards pay equity is an international phenomenon. While Ontario can be a pioneer in the scope and the effectiveness of its initiative, we are not the first jurisdiction to develop a pay equity program. In so far as there are precedents in other jurisdictions, however, and therefore experience on which we can draw, they relate primarily to public sector programs. Even in comprehensive programs, such as exist in Quebec and in the federal jurisdiction, the bulk of the cases thus far have arisen in the public sector settings. In developing a public sector pay equity program for Ontario, we can build, with appropriate modifications, upon the experience of Minnesota, Iowa and, now, Manitoba, among others. In developing a private sector initiative, on the other hand, we will be fashioning a program which responds to our provincial needs.

The conclusion to be drawn is that while there are significant similarities in the process we have undertaken in developing our public service approach and in the private sector and broader public sector initiative and in the issues that arise in both exercises, there are very substantial differences in the context within which each of our pay equity programs is being developed. This is why the government has chosen to have two separate initiatives, interconnected and co-ordinated, but with due recognition of the differences in requirements, capabilities and strategies that may be called for in the two different sectors.

2:20 p.m.

When I introduce our public service bill—and I hope it will be on an early date—my expectation is that it will address many of the issues that have been identified in the green paper exercise within the context of a public service program. Whether the public service program can serve as a model for private sector initiatives, however, is a matter for future consideration. It will depend, no doubt, on the nature of the program we develop; but, more important, it will depend on the circumstances in which private sector employers find themselves and the extent to which they can translate a public service prototype into a private sector context.

My own view is that because of the significant differences that exist between the two sectors, there may be very limited scope for wholesale application of a public service model within the private sector or broader public sector, but this remains to be seen, not only in terms of our own policy development but also in terms of what I am sure will be a most fruitful and effective consultation process with respect to the green paper.

ROMAN CATHOLIC SECONDARY SCHOOLS

Hon. Mr. Scott: As members are all aware, then-Premier William Davis announced his government's policy in the Legislature on June 12, 1984, to extend public funding to complete the Roman Catholic separate school system. He said the funds would begin to flow to grade 11 commencing in September 1985, and accordingly, separate school supporters, teachers, parents and children began to make their plans based upon this assurance. Facilities were set aside, teachers were hired and children enrolled in separate school grade 11.

When this government assumed office on June 26, 1985, it faced a dilemma not of its own making. The constitutionality of Bill 30 had been questioned by some members of the public. Rather than proceed with legislation that might be unconstitutional, the government quickly referred the issue of the constitutionality of Bill 30 to the Ontario Court of Appeal. The matter has been fully argued before the Court of Appeal and the court's decision on whether the Legislature has the authority to pass Bill 30 has been reserved. This government's action was not a bypass of the judicial system, but rather a submission to it.

Returning to the situation of this past summer, this government still faced the other challenge: what to do about the thousands of high school students who were committed to commence grade 11 in the separate school system starting in September. All recognized that a judicial determination on the constitutional question could not be obtained by the beginning of the school year, and, indeed, we are awaiting that determination; an interim measure had to be adopted.

The traditional method of funding in the case of separate schools, which extends back to 1971 under the former Conservative government, has been to pass regulations pursuant to subsection 10(3) of the Education Act. This traditional method was the only practical way to balance the legitimate constitutional question which had

arisen with the needs of separate school teachers and pupils.

Several weeks ago, while the constitutional question was under reserve by the Court of Appeal and after the pupils were in the schools, a number of groups made an application for judicial review to the Divisional Court for a declaration that this government's interim measure was not authorized by statute. This is so notwithstanding that the measure used was the one which had been adopted and was in place from 1971.

These groups made a motion to Chief Justice Parker of the High Court for a speedy hearing by a three-judge panel of the Divisional Court, and the Chief Justice refused on the basis that, at that time, there was no urgency. They then went to another judge, Mr. Justice Potts, and asked him to hear the application as a single judge on an urgent basis. Mr. Justice Potts declined to hear it on an urgent basis because he decided it should be determined by a full panel of the Divisional Court.

He ordered that the government not distribute any funds pursuant to its regulation until a full panel of the Divisional Court has decided whether the Education Act authorizes the government to extend funding by regulation. It should be noted that he did not hold that the regulation, the traditional and time-honoured method of school funding, was illegal. He simply held that it raised an important legal question which should be decided by the full court. In the meantime, he held that the "balance of convenience" favours a hold on the flow of funds.

This government will, of course, obey the court order. No funds have been expended pursuant to the amended regulation and none will flow while the order of Mr. Justice Potts stands. It is our view that the question of urgency has now changed as a result of Mr. Justice Potts's order, and we have asked Chief Justice Parker to convene a full panel of the Divisional Court as soon as possible. We are awaiting a reply to that request. This government will proceed with that hearing as expeditiously as possible.

The constitutionality of the government's position on Bill 30 will in the end be decided by the Court of Appeal for Ontario. What happened yesterday in no way alters that basic fact.

ORAL QUESTIONS

ROMAN CATHOLIC SECONDARY SCHOOLS

Mr. F. S. Miller: My question is to the Minister of Education and it arises out of the

matter just dealt with by the chief law officer of the crown.

I have to say before I start the question that I find it a bit difficult to listen to his statement when the judge said the minister had bypassed both the democratic and judicial controls on the exercise of government power. He jumped before the safety net was in place. He tried to act quickly without realizing that as a minister he is really restrained by the law.

Mr. Speaker: Question.

Mr. F. S. Miller: Now that this decision of the court has put the funding in limbo, the minister has an emergency, admitted by the Attorney General (Mr. Scott). What kind of assurance does the minister have for the families and the children in those schools that the funding will go ahead and that they will receive this year's education as promised by his government?

Interjections.

Mr. Speaker: Order. I would like to remind all members of standing order 23(b), as I have done on previous occasions: "When a member is speaking, no other member shall"—and I underline "shall"—"interrupt him, except on a question of order."

Hon. Mr. Conway: I want to clarify what happened yesterday. It is important for this House, the separate schools and other aspects of the education community to understand what happened yesterday.

Mr. Justice Potts did not decide the question of the legality of the interim funding. Mr. Justice Potts decided that it was a matter he felt he could not decide upon and that another court, the Divisional Court, should rule upon it. He furthermore indicated that until the question of the legality of the interim funding had been decided by the Divisional Court, interim funding should not flow.

As a government, we feel very strongly and very positively about the rightness of our view that we do have the authority under the Education Act to flow the funds on an interim basis. We are most anxious to get to the Divisional Court to argue that case, because we believe it to be a strong, positive and just case that will be so adjudicated by that court at that time.

That is what I tell the separate school community and others in this province at this time.

Mr. F. S. Miller: That and a token gets one a ride on the subway. The people, the families and the children are not interested in the minister's legalese. They are interested in assistance at the school level. The minister should be specific.

How does he intend to fund those schools legally?

2:30 p.m.

Hon. Mr. Conway: I simply say to the Leader of the Opposition we feel very confident that the legal way to fund the extended separate school programs in grade 11 in 1985-86 is through the amended regulations we have executed under subsection 10(3) of the Education Act. As I said to the Leader of the Opposition moments ago, we are most anxious to argue that case, about which we feel so very positive, at the earliest opportunity at the Divisional Court.

I want to say two things in conclusion. This is a government that will abide by the law. This is a government that is sincerely and absolutely committed to the welfare and education of the thousands of separate school students who are at issue in this critical debate.

Mr. Rae: It is ironic. Lawyers for the government were arguing throughout September that it was not an urgent matter. That is one of the reasons we are in the pickle we are in right now, and the minister knows that. Mr. Justice Potts referred to that irony in his decision.

I do not think any of us is going to sleep much easier tonight with the minister's reassurance that he has an ironclad case in December before the Divisional Court. What I think the parents and the students who have enrolled in grade 11 are eager to hear from the government is a simple statement from the minister. Can he provide today the assurance that those families and those boards will not suffer economically as a result of having relied on the government's assurance that funding for grade 11 would proceed in September 1985?

Hon. Mr. Conway: In response to the leader of the New Democratic Party, I note that Mr. Justice Potts in his decision yesterday is at issue with the decision earlier by Chief Justice Parker, who took a different view on this matter. I simply note that on the urgency question we have two learned justices who have taken different views, and that was noted in the decision yesterday by Mr. Justice Potts.

I will say again that this government is absolutely committed to the welfare and the educational situation of the thousands of separate school students, and we are determined to meet the requirements of those students within the law. We have said we intend to fund through the traditional, time-honoured mechanism of subsection 10(3) of the Education Act. We feel this is the most practical and effective way to deliver the assistance. It is that case we are most anxious

to argue at the earliest opportunity in the Divisional Court, because we are very confident that the case will be found in our favour and that the needs and the requirements of the thousands of students will be met in that way.

Mr. Jackson: We have heard many times from this new minister on this very issue. It appears he gave a lot more clarity outside this House in response to this question before the standing committee on social development. At that time he gave many assurances to the parents and students of the Catholic community who appeared before him.

My question has to do with why he continues to abdicate his responsibilities to the ministers around him. Why does he allow the Commission for Planning and Implementing Change in the Governance and Administration of Secondary Education in Ontario to decide education policy, the Minister of Revenue (Mr. Nixon) to decide funding and the Attorney General to address the legal issue?

Mr. Speaker: That seems like a very good question.

Mr. Jackson: When will he make a clear statement to the children of this province about how he is going to provide financial accountability to them?

Hon. Mr. Conway: I find it passing strange that my learned friend the member for Burlington South and all his colleagues would now question a mechanism they used routinely for the past 14 years. They, it seems, were the last to complain about this.

I will say to my learned friend, who has been a very constructive member of the standing committee on social development, which has been looking at this very important question, that I as Minister of Education am quite prepared to accept and discharge my responsibility, and I intend to do so sensitively and within the context of the law.

I say again, we feel very strongly, on the basis of practice and precedent well and often established by my learned friends in the Progressive Conservative Party, that this mechanism will be found to be quite legal and quite proper. I cannot wait to get to Divisional Court to argue that case.

COMMISSIONER FOR RACE RELATIONS

Mr. Gillies: I have a question of the Premier regarding the rather shocking firing of Dr. Bhausahab Ubale as race relations commissioner for this province. Dr. Ubale is well respected in the multicultural communities of Ontario. He has been widely credited in his six years as race

relations commissioner with stemming the tide of racial discrimination that was evident in our city in the late 1970s.

Mr. Speaker: Therefore you have a question.

Mr. Gillies: Therefore I have a question. We know for a fact that the order for this firing came directly from the office of the Premier. Why did his office instruct the Minister of Labour (Mr. Wrye) to fire Dr. Ubale as race relations commissioner?

Hon. Mr. Peterson: With great respect to my learned friend opposite, nobody was fired. He just was not reappointed.

Mr. Gillies: I take from the Premier's token answer a rather token commitment to the multicultural community in Ontario. When the Deputy Minister of Labour informed Dr. Ubale of his firing, he told him: "We do not want to do this. It is on the instructions of the Premier." I say to the Premier—

Mr. Speaker: By way of question.

Mr. Gillies: By way of question. Let us talk about open government. From the day Dr. Ubale came under the administration of this government, for the past five months, he has sought a meeting with the Premier, to whom he could not get access. Dr. Ubale has also sought a meeting with his own minister, the Minister of Labour, and was not granted that courtesy.

Mr. Speaker: Place your supplementary, please.

Mr. Gillies: By way of supplementary, we also know the Premier's officials are looking for a Liberal replacement for him. My question—

Mr. Speaker: Order. This is the last time I am going to ask whether you are going to ask a question.

Mr. Gillies: My supplementary question is, will the Premier rescind this very unwise firing and immediately move to reinstate Dr. Ubale?

Hon. Mr. Peterson: The honourable member has chosen to discuss matters of personnel in this House, and that is fine. I will respond. He suggested we are looking for a Liberal alternative; so I guess he is implying Dr. Ubale is a Conservative. Is that what he is saying?

The member used the word "firing" very promiscuously. It was an order-in-council appointment which I understand expires at the end of this month. Yesterday it was made public that there are literally thousands of order-in-council appointments made by this government and by the Premier, who has a certain prerogative on some of them. As one goes through that list, one

will see most of the delegates who were at the Tory convention last weekend in that book of boards, agencies and commissions. The member will be aware of that more than anyone.

We have looked at those appointments made on a nonpartisan basis. We do not ask how people vote. We only ask if they are competent. I am sure the member would be the first to attest to the competence of a number of people we have appointed.

Dr. Ubale's appointment expires at the end of this month. If the member is asking me to reappoint him for a third term, he is entitled to do so. His own government had a rule that each person was generally qualified for one reappointment, that is, six years, not nine, 12 or 15 years. That was a rule followed by the member's government.

2:40 p.m.

Dr. Ubale has been offered other employment in this government because we value his abilities. The member has embarrassed him by bringing up the matter, but I am willing to share the information.

Mr. Gillies: We are not talking personnel; we are talking about the Premier's commitment to multiculturalism in this province.

Mr. Speaker: Order. I gave the honourable member latitude last time.

Mr. Gillies: I assume the Premier does not deny the fact that neither he nor his minister met with their own race relations commissioner for a six-month period.

In view of the fact that the standing committee on procedural affairs and agencies, boards and commissions is meeting this fall to devise new guidelines and a new openness with regard to government appointments, would the Premier at least not agree to rescind this dismissal until such time as a committee of this House can examine the entire smelly matter?

Hon. Mr. Peterson: The member chooses to embarrass himself in this House by asking ridiculous questions. We have asked the procedural affairs committee to review the entire matter. We have made public all the appointments to agencies, boards and commissions, something they never did on their side. They kept it secret and only appointed Tories.

We invite their ideas. I have been asked by members of his party and others to make appointments. We have and will continue to do so. He will notice that we have treated every single person who was previously appointed with kindness. We have not been kicking anybody

out. We have been trying to be kind. We are looking for the very best people to serve, and I am most anxious to get the recommendations of the procedural affairs committee with respect to this matter. It is my view we must get the very best and brightest of this province to serve in all of its various agencies. I have a very different view from that of the previous government, which used this process as a graveyard for retired Tory warhorses.

EQUAL PAY FOR WORK OF EQUAL VALUE

Ms. Gigantes: Mr. Speaker, I am sure you have noticed we are neatly sandwiched between early fall and the next new moon and we finally have a green paper on the private sector for purposes of equal pay for work of equal value legislation, but the process the Attorney General has described so roughly seems very open. I would ask him to tell us in very firm terms how long the consultation around the green paper is going to go around this province. When can we expect the tabling of legislation?

Hon. Mr. Scott: I have been asked this question by the leader of the third party on October 15 and by the member for Don Mills (Mr. Timbrell), who pointedly asked, if there is going to be consultation and legislation when would we have the bill. I made plain to them that we would allow a reasonable consultation period so that everybody who wanted to make relevant and useful submissions would be fully heard. Then cabinet would make the choices, the decision, and introduce the bill. I cannot tell the member with any more precision than that when the bill will be introduced. The consultation process will take place; it will be full and fair, but I hope it is not going to be extravagantly lengthy.

Ms. Gigantes: I do not think the statement that the process will not be extravagantly lengthy is what we are looking for in this House. We expect some leadership on this question. I would like to ask the minister responsible for women's issues whether he can be any more definitive in the area of legislation for public sector workers.

Hon. Mr. Scott: On that subject I will have to defer to the Minister of Labour, who is dealing with that position paper.

Hon. Mr. Wrye: As the honourable member will have heard in my statement, this next stage of the consultation with the public sector unions begins Monday next. We expect that, while it will be thorough, the matter will move somewhat more rapidly because of the narrower focus than

in the broader public sectors and the private sectors.

I did indicate earlier today, as the honourable member knows, that it may be useful for me to hear some of the early feedback from the green paper initiatives. I cannot give a time because there are complexities in certain areas; but because of the narrower focus, we should be able to move forward perhaps more rapidly than in the broader public and private sector initiatives. I cannot give the member a full moon or a half-moon time or a date for the decision.

Mr. Partington: As a supplementary to the Attorney General, he and his government made a firm commitment to equal pay for work of equal value. All he has given us today is a paper that tells us what we already know. He has indicated he cannot give us a timetable for the legislation.

Can he confirm to us today that he will have full and open hearings on these matters and that he will give us a timetable for the completion of these hearings so we can immediately get on with the legislation?

Hon. Mr. Scott: I am grateful for the question and I am impressed by my friend's knowledge that there is nothing in the green paper he did not know. There is certainly a lot in the green paper I did not know, and I think other members of the House will find it contains a lot of useful information they did not know. I think members of the public will find the same thing.

The honourable member will not have to come to the consultation because he has obviously got it all down pat, but I would be grateful to know what his policy is on this question. He is the one who is ready to decide. We are going to have a consultation process so we can get the feedback of those people who are learning something new as we go along every day. I cannot tell him when it is going to end any more than I can tell him the next time it is going to rain, but I can tell him it is going to rain within the next 30 days.

Ms. Gigantes: The minister said in his statement that justice delayed is justice denied. I wonder whether he would give a commitment to the House that one of the things he will consider doing is backdating the legislation he finally brings to this House so the sectors that do not want to see equal pay legislation will not have an incentive to drag out the consultation process, to which he currently sees no end.

Hon. Mr. Scott: I cannot give that undertaking. I will expect the honourable member to make that submission to the committee that is going to be hearing the matter. Then we will review it at the appropriate time, when other

people have had the right to make a comment on it.

ST. CLAIR RIVER

Mrs. Grier: I would like to address a question to the Minister of the Environment once again on the question of the St. Clair River.

In response to questions yesterday, the minister confirmed that the existing regulatory system was totally inadequate and did not allow him to control illegal discharges properly. Can the minister tell the House what changes in legislation and regulatory procedures he will make, in addition to examining the certificates of approval, to ensure that when there are spills of hazardous contaminants, investigations will result in evidence and evidence will result in convictions?

Hon. Mr. Bradley: In regard to the statement the member says I made about the certificates of approval and the control orders, I do not recall saying they were a complete disaster or whatever she said. I said I was not satisfied with them. Two weeks ago, before the members opposite started asking questions, I had indicated we were undertaking these programs to bring about the kind of activities that would improve that area.

There were two parts to the question?

Mr. McClellan: The minister has talked himself into complete incomprehension.

2:50 p.m.

Hon. Mr. Bradley: Oh, yes. I recall now what the other part was. How are going to ensure that we get convictions? Are we going to change legislation?

I cannot assure the decisions of any particular court, but I can assure the member that with our investigations and enforcement branch becoming deeply involved in matters of this kind and with our legal services branch dealing with matters of this kind in the future, we will be gathering all relevant information which would allow us to determine whether charges could be successfully pressed.

If there is any kind of case to be brought before a court that can be successful, I assure the member there will be a necessary charge laid and they will be prosecuted to the full extent of the law. If the member is asking whether the present laws are sufficient with respect to the penalties—

Mr. Speaker: Order. Supplementary.

Mrs. Grier: The minister may not have said yesterday that the regulations were totally inadequate, but he did say he was not satisfied with them. He admitted he had no rules and

regulations for hazardous contaminants and he admitted he could lay only one charge from 11 spills. If that is not saying they are inadequate, I do not know what is.

My question is very specific. Does the minister intend to bring in changes in legislation? I gather the answer is no; so let me try to phrase it another way.

Mr. Speaker: Perhaps let the minister answer.

Mrs. Grier: I am trying to interpret for the House what I thought the minister told me.

Mr. Speaker: The minister would like to try too.

Hon. Mr. Bradley: The member has asked a question and I will give an answer which I hope she will consider adequate.

First, the certificates of approval review, the control order review, the point source review, the monitoring and the testing do not require legislation. All that is required is an indication from the Minister of the Environment that he wants that done. That is why it is all done.

Now we get to the specific legislation. If the member is asking—I think she is—whether I feel the penalties that are in effect at present are sufficient to deter people once the prosecution has taken place and is successful, the answer to that is no. My ministry is in the process at this time of providing me with information which would lead to legislation significantly to increase those penalties.

Mr. Brandt: My understanding is that the certificates of approval for the operation of plants in the Sarnia area and in other parts of this province are in place now and that control orders are used by the Ministry of the Environment to indicate when there are problems or to tighten up further on situations that do not meet with the ministry's agreement.

Could the minister indicate to this House whether he has issued any control orders in the Sarnia area which would be a direct indication that those plants are in violation of their certificates of approval?

Hon. Mr. Bradley: I personally have not ordered the issuance of any control orders that I can recall since I became the minister. I have, however, indicated I am reviewing all the circumstances that exist at each one of those plants. Where it is determined that a certificate of approval is not tight enough, I want that certificate of approval tightened where necessary.

Where I feel a certificate of approval is not sufficient to ensure that the effluent going into the river is acceptable, then I will see that a control order is imposed. I will follow the new method that our ministry is following now of consulting the public before and during the process.

Mrs. Grier: I will accept the minister's statements of good intentions for the future, but let me ask him very specifically about Canflow, a company he has told this House is under investigation, but a company that is open today for business.

If the minister has the power to issue control orders, as he has just indicated to the member for Sarnia (Mr. Brandt), can the minister please tell the House why he has not revoked the certificate of approval that has been issued to Canflow?

Hon. Mr. Bradley: It probably falls under the category of innocent until proven guilty. Until such time as we have sufficient evidence to take specific action—

Mr. Brandt: Now that the spills bill is proclaimed—

Mr. Speaker: Please disregard the interjections.

Hon. Mr. Bradley: The member is still defending the major polluters of the province.

Interjection.

Mr. Speaker: Order.

TOYOTA PLANT

Mr. F. S. Miller: I have a question for the Minister of Industry, Trade and Technology. We asked him a question yesterday about Hyundai and the reason he lost it. We got no answer, none at all. I want to talk today about Toyota. I am almost afraid to ask him whether he has been to Japan lately. One trip to Korea and we lost Hyundai. One trip to Japan may do the same.

Hon. Mr. Van Horne: I thought that is where the member was a couple of months ago.

Mr. F. S. Miller: I managed to bring a few deals back, my friend.

Interjections

Mr. Speaker: Order. I believe I heard a question: "Were you in Japan lately?"

Mr. F. S. Miller: I did not finish, Mr. Speaker. I want to pose this question. What personal action is the minister undertaking right now to bring Toyota to Ontario?

Hon. Mr. O'Neil: Thank you for the question. To you, Mr. Speaker, my apologies for yesterday. They did provoke me, but I believe

you are doing a great job and I am sorry for my part in what took place yesterday.

I would just tell the Leader of the Opposition that we are working night and day on this matter.

Mr. F. S. Miller: Let us be specific. When will the minister next be meeting with the people from Toyota? Will he report this to the House? Will he promote all communities in Ontario, not just a favoured few?

Hon. Mr. O'Neil: I can tell the Leader of the Opposition that, as I said, we are working literally night and day. As late as yesterday, my staff met again with the staff at Toyota and were meeting until late last night on that same project. We are working very hard.

Mr. Foulds: Can the minister tell us what criteria he is using to promote communities in Ontario for this kind of development?

Hon. Mr. O'Neil: I would be very pleased to. Unlike the federal government, I believe the Minister of Industry, Trade and Technology in Ontario must make sure the site selection is made solely by Toyota. They have asked for locations, and our staff have given them assistance on any they have asked about. I have even asked that I should not be notified as to the locations they are looking at so the selection will not be biased in any way.

I can assure the member it is being dealt with in a very fair manner.

LEGAL FEES

Mr. Rae: I have a question for the Attorney General in his role as the guardian of the public interest in all matters relating in any way to the legal profession, which the Attorney General will know is a part of his responsibilities under the Law Society Act.

I have just received a letter from the treasurer of the Law Society of Upper Canada. It says that for lawyers who participate under the terms of a plan that would prepay legal services involving the United Auto Workers, Ford, General Motors and Chrysler, under the current circumstances their participation may constitute professional misconduct.

I assume every lawyer in the province got one of these letters.

Hon. Mr. Scott: I did not.

Mr. Rae: Maybe the Attorney General did not. They must have left him off the list. I do not know.

I would say to the Attorney General—

Mr. Speaker: By way of question.

Mr. Rae: —as the guardian of the public interest with respect to matters of the legal profession, what does he intend to do about this kind of totally antediluvian attitude with respect to the reduction of legal fees in Ontario?

3 p.m.

Hon. Mr. Scott: I did not receive a copy of the letter. I presume it went only to relatively new Queen's counsels such as my learned friend, the leader of the third party.

I am aware of the content of the letter. As the honourable member will know, under the statute this House has passed, the passage of regulations relating to professional misconduct is the preserve of the Law Society of Upper Canada. I am looking at that act to determine whether it should be reviewed in the circumstances. When I have something to report to the House, I will do so.

I am conscious of the concern the leader of the third party has with respect to that letter. I am concerned about it myself and I am looking at the issue from the same perspective as he is.

Mr. Rae: I have no way of knowing since I have never understood the Attorney General's perspective.

Here we have an instance where a group of people have come together in an effort to reduce the burden of legal fees and provide affordable legal fees and services prepaid on an insurance basis. That is something all of us would like to encourage.

This is exactly the same kind of stunt that was pulled by medical associations when they were fighting medicare back in the 1950s and early 1960s. What is the Attorney General doing to stop this kind of intimidation, particularly of younger lawyers just starting out in the profession, and to make it clear to the law society that reduction in legal fees, prepaid legal services and insured legal services are the way of the future and not of the past?

Hon. Mr. Scott: I have told my honourable friend I am looking at it from precisely that perspective; slightly keyed down, I may say. I will report to him when I have something to report to the House.

Mr. Mancini: While I support the prepaid legal system that is to be set up and while I support the effort for lower legal fees and for making legal services available to the largest number of people, I want to ask the Attorney General—

Interjections.

Mr. Mancini: If members opposite would just hold it for a second, I would like to ask the

Attorney General—I guess members opposite are not interested.

Mr. Speaker: Place your question.

Mr. Mancini: I would like to ask the Attorney General whether he agrees with me that the policy of having a closed panel, where only a limited number of lawyers can be used by thousands of people, is detrimental to the public. Many members of the public may have an established relationship with lawyers who are not on the panel.

Hon. Mr. Scott: The problem presented by all these questions is that, on the one hand, we have the power under the Law Society Act of convocation of the law society to pass rules respecting professional conduct and misconduct. We have a rule the society has now passed, as that letter indicates, that some members feel may not represent sound public policy. I share their concern. We are looking at the question from that point of view. When we have made a decision as to the appropriate course, I will report to the House.

TEACHERS' LABOUR DISPUTE

Mr. Ferraro: My question is directed to the Minister of Education and pertains to the high school strike in my community of Wellington county which also affects the ridings of several other members. The strike is in its 46th instructional day. Quite honestly, it is a new experience for me and it is one I hope no member in this House ever has to experience again.

The ramifications are starting to tear my community apart. What can I tell the students and their families and those so seriously affected by this strike today? What can I find out from the minister about the course of action he is prepared to take to end this strike?

Hon. Mr. Conway: I thank my colleague the member for Wellington South for his question and his constant consultation on this difficulty in Wellington county.

Out of my concern for the welfare of the 8,200 secondary school students in Wellington county, I have this morning asked the Education Relations Commission to bring both parties in Wellington county to Toronto immediately so they can undertake intensive negotiation under the watchful eye of the mediator, Norman Bernstein. Under those conditions they can do what must be done to ensure that the best solution is achieved: namely, a locally negotiated settlement.

Mr. Ferraro: I thank the minister for his comments, but can he clarify for me, first of all,

what authority we have? Can we actually force the people to come here to negotiate? Second, what is the timing? What does "immediately" specify?

Hon. Mr. Conway: I indicated to the Education Relations Commission that I wanted those parties brought to Toronto immediately, and I expect that intensive negotiations will be under way within 24 to 36 hours.

Mr. J. M. Johnson: I am pleased the minister has taken some action. I asked him that very question two weeks ago.

Having said that, my concern is that we had an election on November 12 and there has been quite a substantial change in the board. The new trustees do not take office until December 1. Is he dealing with the old board or the new board? Will the new board respect the wishes of the old board, which could not settle it in 18 months?

Hon. Mr. Conway: I have asked the representatives of both parties. The party for the board is the negotiating team from the board. The board is the board that is currently in place, and that is the old board.

I want to say to my friend from Mount Forest, out of respect for the many comments we have shared during these past weeks about this difficulty, that I cannot easily believe—in fact, I do not want to believe at all—that either party in the great county of Wellington is so insensitive to the situation in which those 8,200 students now find themselves that they will not, in the interests of those students and of local autonomy, get to this table and resolve this in their own way as quickly as they can so they can live with a settlement they work out. I am very confident about the good judgement and the good sense of the good people of Wellington county.

TRADE MISSION

Mr. Runciman: My question is to the Minister of Industry, Trade and Technology. It deals with last week's trade mission to Israel and with the actions of its leader, the Minister of Consumer and Commercial Relations (Mr. Kwinter), better known as the minister of hot dogs and salami relations.

While that minister was in Israel, a Canadian newspaper revealed his hidden agenda: selling his family's meat products. How does the minister feel about his colleague using a trade mission paid for by Ontario taxpayers as a vehicle for selling his family's wares?

Hon. Mr. O'Neil: I have the highest regard and respect for the member and for the minister who led that delegation.

Mr. Runciman: With a token, that will not even get a ride on the subway. It is obvious that the operative words for this government are "incompetent" and "sleazy." This example of self-serving politics makes a joke of the minister and of the government.

Will the minister, whose colleague has abused his office at the expense of his brother's competition, assure this House that future trade missions will be on behalf of all Ontarians, not just the families of cabinet ministers?

3:10 p.m.

Hon. Mr. O'Neil: I can assure the member again that trade missions are always on behalf of all people in Ontario and Canada.

Hon. Mr. Kwinter: Mr. Speaker, may I rise on a point of personal privilege? I think the members will agree I have had an attack made on me and I think I have a right to respond. That is the lowest thing I have seen in a long time.

Mr. Speaker: Order. Briefly, I would like to hear your point of privilege, yes.

Hon. Mr. Kwinter: When I returned from my mission to Israel, I read comments made by the Leader of the Opposition (Mr. F. S. Miller). I have never read a sillier comment, and now it has been followed up by my critic. I should tell the honourable member that number one, my brother's company has no jurisdiction to ship out of Ontario; so there is no reason I could have possibly sold it. Second, if the member knew anything about Jewish family life, he would know that I have a daughter in Israel and I took her two salamis as a present, period. That is the basis for the accusation, and I ask that the member withdraw it.

Some hon. members: Withdraw. Apologize. Interjections.

Mr. Speaker: Order.

Mr. Runciman: Mr. Speaker, on a point of privilege—

Mr. Speaker: On the same point, I hope.

Mr. Runciman: Yes, it is. This was the quote of the Minister of Consumer and Commercial Relations, and I think it should be read in response to what he was saying:

"I aim to expose Israeli palates to first-class Ontario meat products....I simply defy anybody to sample Kwinter salami, hot dogs and pastrami and claim they have ever tasted any that are more delicious."

If that is not selling products of his family, I do not know what is.

Interjections.

Mr. Speaker: Order. First of all, it is not a point of privilege—

Mr. Mancini: The member's leader would be proud of him.

An hon. member: The minister should pay for that trip.

Mr. Speaker: First of all, it is not a point of privilege. I think it is very close to a point of order. I do not know the exact words the minister requested be withdrawn. I was listening very carefully. I feel some very unfortunate comments were made regarding the government. I heard those. I also heard some comments that were very close to being very personal, insulting and abusive. I do not know the exact words. Can the honourable member help me?

Mr. Hennessy: Why are you asking him?

Mr. Speaker: Order.

Hon. Mr. Kwinter: I do not remember the exact words, but one of them was certainly "sleazy."

Mr. Speaker: I heard that word particularly, and I listened very carefully. He said it was "a sleazy government."

Interjections.

Mr. Speaker: Order. My task is to listen, I hope carefully, to what is said. I remind all members that we are here as elected people, representing people, and I hope we will contain our language in a most civilized way.

The member for York South; a new question?

Mr. Rae: No, Mr. Speaker. I have a supplementary that I would like to redirect to the minister, because I do have a specific question that I want to ask him, with his permission.

Mr. Speaker: A supplementary?

Mr. Rae: To a question that was asked of the Minister of Industry, Trade and Technology.

Mr. Speaker: You will have to ask it of the minister, and he may redirect it.

Mr. Rae: I will ask it of the minister and ask him whether he can redirect it.

I have received concern expressed by the manufacturers and owners of companies that operate in direct competition with the Kwinter company with respect to the article that appeared in the Canadian Jewish News and the remarks attributed to the Minister of Consumer and Commercial Relations. Would the minister like to clarify the purpose of his trip to Israel and can he explain the comments which have been

attributed to him in the Canadian Jewish News? It is not a trivial matter.

Mr. Speaker: The question has been asked.

Mr. Rae: It is important. I have received complaints about it and I would like to get an answer from the minister.

Hon. Mr. Kwinter: I believe that was to the Minister of Industry, Trade and Technology.

Hon. Mr. O'Neil: I would be very pleased to redirect it.

Hon. Mr. Kwinter: To answer the first question asked by the leader of the third party, the purpose of the trip was to lead a group of Ontario businessmen, who are in the high technology area, to Israel.

As to the comments, I must admit I have not read them, so I do not know. However, the specific situation is that I have a daughter who is a student at the Hebrew University of Jerusalem. When I went to see her, I decided to take something she could not get in Israel, some of my brother's products, two small salamis.

On the basis of that, I had an interview with Frank Rasky, who was on the trip and is still in Israel. I said, "I have to get to my brother's place because I have to get some salamis for my daughter." He asked, "Can I come along?" He went along on my visit to the plant and took the picture. I went to Israel and gave the salamis to my daughter, who gave them to her kibbutz parents, and they said, "Is that not great you are bringing us some products from Ontario?"

I would like to reiterate—and this is absolutely essential—in order to ship any product out of Canada, one must be inspected by the federal government. The Kwinter plant is not. Even if it wanted to, it could not ship, so it is a nonissue.

Mr. Martel: Now that we are rid of the baloney, I have a question that concerns my friend, Russell Ramsay-Wrye.

Mr. Speaker: Order.

Mr. Polsinelli: On a point of order: As a new member of this House, perhaps the Speaker can give me an explanation. It seems to me that in the proceedings today a member from the opposition has impugned the personal integrity of a minister of the crown. The minister has asked for an apology and the opposition member has not delivered it. I would perhaps request an explanation regarding the procedure.

Mr. Speaker: I would like to inform the member that matter was being discussed a very short time ago. I felt I dealt with it, as I had to.

Mr. Polsinelli: With the greatest of respect, my question is directed—

Mr. Speaker: Order.

Mr. Harris: Mr. Speaker, on a point of order.

Mr. Speaker: Is it on the same point, because I felt I dealt with that and I was not going to stop again at this point?

Mr. Harris: It is on a different one. We are in question period. We have gone now for about 10 minutes. The members of the government party continue to get up to eat up more time out of question period. You have already ruled there was no point of privilege or order, and I ask if you would add 10 minutes back on to question period.

3:20 p.m.

Mr. Speaker: I thank you for your point of view.

EMPLOYEE HEALTH AND SAFETY

Mr. Martel: I want to question the Minister of Labour regarding Allied Heat Treat Ltd. Can the minister verify there are holes in the roof of that building due to the corrosive effect of cyanide salts? Can he verify there are no hoods or ineffective ones on 13 of the 15 furnaces, some of the hoods not being connected to anything? Is the minister aware the following substances are used: ammonia, hydrogen cyanide, polycyclic hydrocarbons, sodium and potassium cyanides, carbon monoxide, asbestos and sodium carbonate? Can the minister verify that the company dumps these untreated toxic wastes and the toxic liquids from the acids directly into the sewer? Finally, can the minister verify that there is no ventilation?

Mr. Speaker: Order. Minister?

Mr. Martel: If the minister can verify all these things, can he tell me what action—

Mr. Speaker: Order. Minister?

Hon. Mr. Wrye: I am not sure which of his 16 questions the honourable member would like me to address, but in general, some of his suggestions appear to be wrong according to the latest information I have received from my inspectors from both the industrial health and safety branch and the occupational health branch who visited the plant on the Monday following the member's press conference. My colleague the Minister of the Environment (Mr. Bradley) and officials from his ministry also visited the Allied plant, but I have not received a report from him as to whether any such dumping is going on.

I will tell the member that a number of orders, although not for hoods, have been issued under section 145 of the regulations for personal protective equipment, quick-acting deluge showers

and eyewash stations. Significant testing was done last Friday, because that was when the operation was fully up, as opposed to earlier in the week. We have placed the company on a three-month cycle, and we are undergoing an asbestos assessment. I believe a joint committee will be formed shortly.

Mr. Martel: I can show the minister the pictures. There are hoods that go nowhere. But be that as it may, given the fact I have photos of the interior of that building and given the fact these photos were taken only weeks after the minister's inspectors were in last year, can the minister tell me how his inspectors could miss all those violations and why the inspectors did not issue a single solitary order at that time? What the hell gives with that ministry anyway?

Hon. Mr. Wrye: I want to share with my friend the fact that I have some of the same concerns about the visit last September—

Mr. Martel: Same old gang: they do nothing; they say nothing.

Hon. Mr. Wrye: Just hold on a minute. It occurred shortly after an anonymous individual called the ministry and raised these matters. The first indication I have is that a number of the matters the member raised at his press conference do have some substance to them. What this has pointed out, I believe, is that we may need some changes in the kind of personnel who are going in on various issues. We are taking a very careful and sympathetic look at that.

The inspector who came to the plant in September 1984 appears to have done as thorough a job as he was capable of. Whether that was thorough enough with respect to some of the issues that were raised by the anonymous call, I frankly question. That is why we are looking at having some different procedures and putting them in place very quickly. The issue of Allied raises a wider and more important issue.

Mr. Gordon: When is the Minister of Labour going to stop turning a blind eye to the kinds of infractions we have here in Ontario with regard to occupational health and safety?

Hon. Mr. Wrye: I am almost astounded when I hear that kind of nonsense coming from that honourable member and from that party. I expect to announce very shortly some major reforms that are long overdue, long needed and were totally ignored by the official opposition when it was over here. There will be many more to come.

PSYCHIATRIC PATIENTS

Mr. Turner: I would like to direct a question to the Minister of Health. Since doctors have

taken job action in various Ontario psychiatric hospitals in Whitby, Queen Street in Toronto, Hamilton, London and St. Thomas, will the minister be good enough to inform the House what action he is taking to ensure that psychiatric patients will receive the care they deserve despite the breakdown between his office and the physicians?

Hon. Mr. Elston: I thank the honourable gentleman for the question, but there has not been a breakdown between my office and the psychiatrists. He will know the psychiatrists have indicated they will be delivering service to their patients as usual. They are taking job action in respect of administrative items, but I have received assurances through the ministry staff that the patients being treated by psychiatrists at this point will continue to receive that treatment.

Mr. Turner: Is the minister going to take action and establish a framework so this kind of disruption of our province's psychiatric care system does not happen again?

Hon. Mr. Elston: I am not exactly sure what sort of disruption the gentleman means. If it is with respect to the administrative work, I can tell him I have met with a group of psychiatrists representing their colleagues and they have indicated to me that they are underpaid; that is the item at issue. I understand that when they were in negotiations they felt there were certain difficulties in the discussions with members of the government's settling committee—not my staff, as was indicated earlier—with respect to the manner in which the final amounts were worked out.

I cannot guarantee there will not be disagreements as to the amounts to be worked out in the future; however, I can tell the member and the people that the treatment and care of the patients in the province, which I am extremely concerned about, is being maintained by these people on a very high professional level and is not being affected by the current work disagreement.

Mr. Speaker: The time for oral questions has expired.

NUMBER OF QUESTIONS

Mr. Speaker: There have been some comments during this question period and others regarding the number of questions. I did a little research last week. I noted that we varied from six to 11 questions, other than the leaders' questions. When I did a little study of the questions that were actually asked, however, the number varied from 29 to 71, because many were two-part, three-part or four-part questions. If

some of the members see me standing up in the future, I hope they will realize I am trying to keep them down to one-part questions.

Mr. Villeneuve: How many answers did you count?

Mr. Speaker: I have not done any research, but I will look at that too.

UNITED WAY CAMPAIGN

Mr. Speaker: The members may be interested to know that very recently we had a campaign in this building for funds for the United Way. The objective was \$20,000. We reached \$28,806, which is close to 50 per cent in excess. On behalf of all members, I would like to say thanks to those who contributed and to those who participated in the collection of the money.

Hon. Mr. Elston: Since we are extending thanks for participation in the United Way, I have received unofficial confirmation that the campaign for the United Way in the government of Ontario has exceeded its target of \$1.2 million. That is an incredible commitment by the people who work in the government. I want to extend my thanks to those people and to the members who participated in a number of United Way events.

There will be an official, final accounting of everything that appeared within the government of Ontario with respect to the United Way fund-raising, but as the minister hosting the campaign this year, I want to express my pleasure for that incredible commitment by the people who work for the government of Ontario.

PETITION

MARKET VALUE ASSESSMENTS

Mr. Haggerty: I wish to table a petition, which reads as follows:

"To the Honourable the Lieutenant Governor and the Legislative Assembly of Ontario:

"We, the undersigned, as residents of Ontario, ask the Ontario government to rescind market value assessment."

3:30 p.m.

This is signed by 490 petitioners.

ANSWER TO QUESTION IN ORDERS AND NOTICES

Hon. Mr. Nixon: Mr. Speaker, before the orders of the day, I wish to table the answer to question 78 standing in Orders and Notices [see Hansard for Friday, November 22].

MOTION TO SET ASIDE ORDINARY BUSINESS

Mr. Harris moved, seconded by Mr. Davis, that pursuant to standing order 34(a), the business of the House be set aside so that the House might debate a matter of urgent public importance, that being the acute situation affecting semester and full-year high school students in the county of Wellington as a result of a 10-week teachers' strike.

Mr. Speaker: This notice of motion was received at 11:55 a.m. It complies with standing order 34(a); so I will listen to the member for Nipissing for up to five minutes and to representatives from the other parties for the same length of time.

Mr. Harris: I will be relatively brief. I think there is much to debate and that a considerable number of members would like to enter into this debate this afternoon.

Forty-six days of school have been missed. We are talking about a semester school system for most of the children. We are talking about a strike starting two weeks after school had begun, a most critical and crucial time. We have asked question after question in this House to receive any kind of assurance from the Minister of Education (Mr. Conway) that: (a) he cares; and (b) he cares enough to get involved personally as the Minister of Education to try to bring these two sides together.

We have heard answers from the minister such as, "A negotiated settlement is the best solution." We all agree a locally negotiated settlement is the best solution, but it has been very apparent for some time now that a locally negotiated settlement is not forthcoming in this matter between this group of teachers and this board.

We have what is in effect a lame-duck board now because it has gone on so long. Had the minister intervened a month ago, perhaps pressure could have been brought to bear. I believe that had the minister taken a more personal interest, he could have brought more pressure to bear along those lines.

We heard from the minister that in Sudbury the strike went on for 56 days. As I understand it, that is essentially true; it did go on for 56 days in Sudbury. That was at the end of the year. The month of June, when not much instruction goes on, was included in that. The students were primarily on a full year, not on a semester year. I submit that 56 days in a full-year program might translate into the equivalent of 112 days in a semester program or, if one likes, that at 28 days one starts to enter into the same kind of jeopardy.

What has bothered me about the 56 days and the answers that have been coming back from the minister is that every situation is different. The minister has to look at the situation that existed in Wellington; he has to look at the likelihood of a settlement; he has to look at what kind of bargaining was going on or was not going on. It was an election year; that is something quite different. It was at the start of the year; that is something quite different. We were also dealing with semester students; again something that is quite different.

I got the distinct impression that this minister wanted to set a record, that perhaps he was shooting for 57 days. It bothered me when I heard this minister answer in that fashion. He will tell me I am wrong, but I caught the tone in his answers on many days when he talked about 56 days. I hope that was not the intent. I am sure it was not the intent of the minister, but it sounded that way.

Now we are dealing with a situation where parents do not know where to turn. This morning the minister indicated, perhaps in response to our notice for this emergency debate, that now, after 46 days, he has called the sides together for good-faith bargaining in Toronto. I am told that as of noon today, neither side in the Wellington-Grey strike had been contacted by the Education Relations Commission. I presume that at some time after the notice of motion went in, which was before noon, this was becoming an emergency that required the attention of this Legislature.

We need to hear today from the minister and the members who are representatives in this area as to the seriousness of the situation. I remind the minister that during the Sudbury strike, at some time around 42 days, his leader of the time started comments in the House something like, "Resign!" That was after 42 days. That is what the Liberal government said in Sudbury after 42 days. Another thing said by the then Liberal leader was, "Will she"—the Minister of Education—"impose compulsory arbitration there and in any other school strike in Ontario and bring such strikes, which are harmful to students, to an end?"

All we have asked for is the minister's interest, and I am ashamed it has taken this emergency debate today to bring the minister's interest to bear.

Mr. Allen: On behalf of the New Democratic Party in this House, I rise to state that we are not unwilling to have a debate proceed on this issue. I want to state immediately, however, that the

reason we are taking this position is that a teachers' strike and the called-for legislative intervention raise very important issues and charges that always need discussion and questions that need answering.

This party has never been prepared to support arbitrary, third-party intervention or legislative termination of disputes. That does not mean we are not sensitive to the human issues involved in this event. It is true there are about 520 teachers who obviously are disaccommodated in their own way by their own actions in some respects but also by the actions of trustees. There are about 5,000 students and their parents who are upset by what is going on.

It is important for this Legislature to take a very deliberate and calm view and to ask itself what the long-term results of artificially and arbitrarily bringing a dispute of this nature to an end will have on the future of collective bargaining in a jurisdiction such as this. We know what the problems were prior to the introduction of Bill 100. We know that after the introduction of the procedures laid down by Bill 100, the circumstances surrounding collective bargaining improved dramatically, conflict was reduced and over the long haul there have been fewer strikes.

3:40 p.m.

With respect to the specific situation, let me observe there is still the making of a local solution. For example, the neighbouring Grey-Bruce board has come to a tentative agreement. That should provide a good example. The issues were monetary and very similar, and the boards are very similar in their demography and legislative grant situations and so on.

Second, last Sunday Mr. Nelson offered a proposal which was tabled for the two parties. The teachers said it seemed to them to be a good basis upon which to resume negotiations and it was one that came close to meeting their needs.

I would submit that suggests the board itself ought to be looking at getting back into active negotiation. I was pleased to hear that the minister himself is bringing the parties together at a propitious time such as this to encourage them to proceed towards a locally determined solution.

Third, there are major changes in the school board in that area. About 10 or 11 of the trustees are new and the chairman himself, a pretty hard-liner on this dispute, went down to defeat. I think a public judgement has been given to the board that the public wants it to get back to the

negotiating table. They will probably heed that, certainly with the minister's assistance.

The Education Relations Commission, to my knowledge, has been very actively involved in this dispute. They have a policy, which is very wise, that local disputes should be locally resolved. They do not want to go back to that first year under Bill 100 in which there were six or seven disputes and all of them were resolved by legislation. This House got caught up in dispute after dispute. They do not want to return to that and this party does not want to return to that situation either.

While we may feel very strongly and deeply about the plight of the students and about the difficulties they will have in meeting the demands of their year, it seems to us it is not the better part of wisdom to proceed as a Legislature to force the parties back to the table in an artificial and arbitrary way. Because the issues are so important and because they are ones we do need to wrestle with and for which we need to give public explanation, this party feels we are prepared to see this debate proceed.

Hon. Mr. Nixon: We are certainly not unwilling that this debate proceed. I just want to point out, as has been pointed out by other members, that this strike has gone on for a large number of days. A problem I experience as House leader is that, while I think it falls into all the categories one would be looking for, from my point of view, this is an inconvenient day.

We have one day of the week for legislation. Monday we do estimates, Thursday we do private members' business and Friday we do estimates. This is the one day we do legislation, and there are very important things with which we want to proceed. However, if I am asked specifically, I believe the application and the motion fall within the ambit of the rules and we are not unwilling that the debate proceed. My point is that yesterday or Thursday would be have been preferable.

Mr. Speaker: I have listened carefully to the three members who have spoken and, as I said earlier, the motion was placed in my office on time. I do have some question because I believe one of the criteria is that if this matter cannot be adequately raised on other occasions, this is the place and time to do it. It has been raised quite a number of times in question period; however, it appears that all members are in favour of having the debate continue. Therefore, I will place the question, shall the debate proceed?

Motion agreed to.

COMMITTEE SITTING

Hon. Mr. Nixon: On a point of order, Mr. Speaker: Under the rules the standing committee on social development will not be able to commence its hearing this afternoon unless the House either by unanimous consent or by motion approved of its doing so. The committee is dealing with Bill 30 and has delegations that are already awaiting the committee. I believe there is consent among all parties that the committee proceed in another place. Is it sufficient that there be unanimous consent here and a motion is, therefore, not required?

Agreed to.

Mr. Speaker: I understand the House will give unanimous consent to the request that the committee may continue and sit this afternoon.

TEACHERS' LABOUR DISPUTE

Mr. Davis: This strike began on September 16, 1985, and 46 days of school have now been missed. I understand the two sides last met on November 10 to consider the mediator's proposal. Neither side found the proposal acceptable. There is no scheduled date for any other meeting, except that we have been informed the minister finally decided to take some action as of 12 noon and has asked the two sides to meet with him.

According to the chairman of the board, Paul Nelson, the board does not know whether the mediator will return. Mr. Nelson says the school year is in severe jeopardy and describes the situation as tragic. He feels the government should have intervened some time ago, and I agree with him that the government has let this strike go on too long. He spoke to the Minister of Education (Mr. Conway) last night and the minister still refused to intervene; although again, as I said, at 12 o'clock—my notes are out of date—he did agree to meet.

The communities, the teachers, the students and we on this side of the House are disturbed at the attitude of the minister, especially in the light of his remarks a couple of years ago, when he stated in this House that teachers should not have the right to strike. In the words of the director of education, Mr. Forsythe, this issue is standing still.

The board has requested that the Education Relations Commission hold jeopardy hearings to determine whether the students are in jeopardy of losing their school year. I would point out to the House and to my colleagues that this question was raised on this side of the House. We received no direct answer from the Minister of Education.

We asked the Premier (Mr. Peterson) to intervene, as he intervened in the transit strike here in Toronto and as he suggested he would intervene in the transit strike in Mississauga, to take a personal stance in this particular situation. He refused to answer the question. It is apparent, in my opinion, that the students are in jeopardy of losing their school year.

The chairman of the board wrote to the chairman of the ERC, Dr. Bryan Downie, on November 1. On November 12 there was a request that hearings be held. On November 18 the director of education for the Wellington County Board of Education wrote to the chief executive officer of the ERC, Mr. Field, to reiterate the request for jeopardy hearings. The board received a request for further information from the ERC but has heard nothing else. This only goes to illustrate that the ERC, because of the kind of guidelines under which it operates, becomes an ineffective instrument in situations like this.

The board has not yet taken the time to discuss methods of saving the students' year. It has been concentrating on trying to resolve the strike, and any method of saving the students' year would be determined by the date on which the teachers finally return to work.

I would point out that five of the nine secondary schools of the board are on the semestered system. Arthur District High School has 316 students, Centennial Collegiate and Vocational Institute in Guelph has 1,570 students, Erin District High School has 428 students, Guelph Collegiate and Vocational Institute has 1,600 students and Mount Forest District High School has 303 students, for a total of some 4,200 students who are on semestered programs.

I do not think it is important to point out to the minister what a semestered school system is, but for clarification to my colleagues in the House, and maybe for further edification of the minister, I should do so. A semestered school is based on the presumption that the student will finish four credits—he could take five, but normally he takes four—from the beginning of the school year to the end of January and another four from February 1 to the end of the school year.

3:50 p.m.

The Education Act requires that a student take 120 hours in order to receive a credit. The students have missed roughly 10 weeks of schooling already. A student does six hours of a credit per week. That student has already lost 60 hours of his credit. I understand the formula for

granting credits is that there is a 60 per cent mandated kind of criterion a teacher must fulfil and the other 40 per cent can be fulfilled with a teacher's own expertise and creativity.

Those students at a semestered school in Wellington county have already been placed in jeopardy. They have lost more than the 60 per cent that is required for a credit. The minister sat there the other day and heard his own colleagues, the member for Wellington South (Mr. Ferraro), the member for Grey-Bruce (Mr. Sargent) and the member for Grey (Mr. McKessock), point out that the universities and the colleges in this province have said those students will not be treated with the same equity any other student will be treated with in this province when they make application for university or college entrance. The minister must be concerned.

When one talks about quality of education and equal opportunity, those 4,200 students no longer have equal opportunity and they will be unjustly treated. The minister refused to say what kind of action he would take on behalf of those students to gain admittance for them to the universities.

When two sides are arguing and there is no agreement and no forthcoming decision, it is the student who suffers. The Minister of Education's primary responsibility in this province is not to ensure that negotiations continue on for ever, but to ensure the students' welfare and wellbeing. I dare say the minister has abdicated that responsibility.

I could quote from the member for Kitchener-Wilmot (Mr. Sweeney), who was once the Education critic on this side of the House, when he spoke to the then Minister of Education in the Sudbury strike after 47 days and asked for that minister's resignation. I will not do that. What I would like to say to the minister is that to be Minister of Education in this province means more than having a name on the door. It means more than having a title. It means more than consulting with the officials of the ministry and with the Education Relations Commission. It means imagination, creativity, vision and decision.

I believe the minister is well enough informed to realize that those students have been placed in jeopardy. He should not and must not find himself pulled and bound by federations of this province or by his colleagues on the opposite side, who fear any kind of legislation that orders people back to work.

I would point out to the Liberals on the other side, who purport to be the government, that

when they sat on this side of the House during strikes they continually pleaded with the Conservative government of those days to bring in binding arbitration to end strikes.

I suggest to the minister in all due respect that he read the comments of his colleagues and of the former leader of the Liberal Party, Stuart Smith, on the strike in Sudbury in 1980. In one of those statements he asked: "Does the present minister have to wait for someone to tell him when a student's year is in jeopardy? Can he not demonstrate some initiative and leadership in this matter?"

I would urge the minister at this point, after he meets with the representatives of the board and of the teachers' organizations, not just to urge them, but to inform them that if they cannot bring a resolution to this matter by the end of this week he will come to this House and ask this House to order those teachers back to work. In those villages and towns there is resentment and concern. I wish to end by pointing out to the minister that the important persons are being forgotten.

On television the other night a young girl sang a song asking the government whether it had forgotten about students. I would say the present government has forgotten about students in this province and especially the 8,000 students in Wellington county.

Mr. Allen: I would like to expand on the comments I made earlier in supporting the decision of the House to hold a debate on this subject.

The question that has to be addressed is not simply a question as to whether the students are now in a position of some difficulty. I think everybody, including the minister and the Education Relations Commission that monitors this matter on a day-by-day basis, is quite aware that students in Wellington county are not having an easy time of it with regard to their year's prospects. There is no question about that.

The question that has to be decided in the minds of members of the House is what will be the long-run impacts upon collective bargaining, in the education field and more broadly, of this House moving into disputes of this kind and legislating an end to the conflict. It would be very easy. The calls for intervention in such disputes begin almost on the days the strikes occur.

Recently, I have been through such a strike in Hamilton. It began late in the last academic year and went on through the rest of the academic year and for much of the summer. The public in Hamilton, the parents in particular, sat on the

edges of their seats wondering just what the disposition of that strike was going to be. As it turned out, there was a local solution, not without the encouragement and involvement of the Education Relations Commission and the careful watching of the ministries of the day.

A local solution was achieved and the Hamilton educational scene is much healthier, happier and more stable for that having been the way in which that dispute was resolved. Although there was a lot of acrimony in the course of that conflict, at this point feelings are very much assuaged. They have worked themselves out. The process of local resolution has produced a kind of catharsis.

That is the way we should go if at all possible. There may come a time when intervention from the Legislature is called for, but at this point we are not anywhere near that position.

In all honesty, one has to give the new board and the new trustees a chance. As I indicated in my earlier remarks, the recent civic elections have virtually worked a revolution in that board. In one way or another, they have disposed of more than half of the trustees. A new chairman will be produced. The chairman himself went down to defeat in that contest. It would be an unfortunate circumstance for us to put the new board and new trustees in a position where they will be compromised by legislative intervention, where they will be seen not to be able to resolve a local dispute.

It would make a great deal of sense for the Legislature to back off from the issue. If one thing is certain, it is that this constant suggestion, intimation, proposal and challenge to the minister to intervene, produces on the part of sitting trustees an attitude of simply waiting for perhaps another few days or for another week or two or perhaps longer for the intervention that will surely come, an attitude that surely one can count on the minister, as a caring minister, not to stand by the wayside and let this thing simply roll on and on and students be submerged by the juggernaut of encounter that has taken place in the local board.

4 p.m.

That is not the psychology we in this Legislature wish to promote among the boards and the trustees across this province. As sure as anything is certain, if the Legislature begins to intervene in disputes of this kind that is what will happen. We shall promote that kind of mentality.

As I also suggested in my earlier remarks, there are other reasons to think the dispute may well be near resolution, not just the example I

indicated of the neighbouring county which is also suffering a strike. It is a similar county in many respects; the teachers are not striking for precisely the same contract, but for issues very like those in Wellington county.

Both sets of teachers are essentially arguing they should receive at least the average wage teachers across the province receive. It is surely a reasonable argument. In the case of Grey-Bruce, they are suggesting an average across-the-contract package which meets that kind of scale. With respect to the Wellington county teachers, their objective is to secure at the end of the term of the contract they are negotiating a rate of pay equal to the average across the province as a whole.

Those are not extravagant demands. They are ones a self-respecting board really ought to try to meet. Yet the board in question, unfortunate to say, has tended to negotiate downwards from the average, rather than trying to bring its teachers up to the average. I do not think that is a posture we would want to encourage.

Taking the kind of action that is being promoted by this kind of constant questioning in the Legislature, holding out the possibility the government might intervene, holding an emergency debate that would try to press it in that direction, hoping the ministry will intervene in that fashion, simply does not work towards either a just solution or an appropriately contrived local solution. On most of the counts on which one would wish to discuss this particular dispute, intervention or termination by the Legislature would certainly be a most unfortunate precedent for this new government to embark upon.

The processes by which dispute resolution takes place in the educational community in this province have been worked out very carefully. They are ones with a step-by-step procedure and at every step it is possible for a reference to third-party resolution and what have you. There are a great many mechanisms available to both boards and trustees on the one hand and teachers on the other.

In addition to those devices, there sits at the cap of it all an Education Relations Commission. It is not simply a body. I know we do not hear from it a lot. Even as these disputes go on, one does not hear in the news every day that the Education Relations Commission or some of its staff have been out in the field doing this or that, have been on the telephone conversing with this or that party, urging this or that, or that it has even been responsible for the appointment of the fact-finder, mediator, etc., that goes into the

whole process of dispute resolution. Yet that activity goes on constantly through a dispute such as this and has been going on in the case of the Wellington county board.

The ERC is monitoring the dispute day by day. It has been receiving occasional representations from local citizens and others, arguing it should consider the students are indeed in jeopardy. As a knowledgeable group, familiar with the situation and aware of the possibilities of local resolution and all the rest of it, it has concluded the students' academic years are not in jeopardy at this point.

The students themselves have had the opportunity to attend school on a periodic basis and to get assistance from substitute teachers and others provided by the board to give them suggestions about how they might approach their studies and keep their work up to date. No one would suggest that is an adequate and complete solution to the problems they have in the midst of a strike situation.

A commission headed by Dr. Burt Matthews five years ago reviewed all those procedures very carefully and came to the conclusion they were adequate to the task at hand; namely, monitoring, supervising and judging the progress and impact of local strike situations in the education community. It therefore seems to me most ill-advised for this House to urge the minister to intervene arbitrarily and frame back-to-work legislation to move those teachers back into the classrooms.

Hon. Mr. Conway: I cannot say it is a pleasure for me to participate in this debate, because, quite frankly, I am not happy that the situation has developed to the point where members of this Legislature feel that a debate of this kind is necessary. Let me say that most sincerely at the outset.

Mr. McLean: It is different when one is over here.

Hon. Mr. Conway: That is true.

I respect what the opposition House leader has to say, because he had long experience in matters of education before his election to the Legislature in 1981, but I do not accept the comment he made some moments ago about there being something in the tone of my voice that led the opposition House leader, and perhaps some of his colleagues, to think that somehow I intended to set a record for instructional days lost in Wellington county. I can tell you, Mr. Speaker, that is absolutely not true, and I deeply regret that any member of the House would conclude that on so tenuous a ground as the tone of the minister's voice.

The member for Scarborough Centre (Mr. Davis), who I know has left the assembly to retire to the standing committee on social development to do his duty there—and I accept that—has made his comments. I note as well that he seems to feel that somehow this minister has not been interested in or concerned about what has developed in the counties of Grey and Wellington during the past number of weeks. That is just not true.

My colleagues the member for Wellington South, the member for Grey, the member for Grey-Bruce, and yes, my good friend the member for Wellington-Dufferin-Peel (Mr. J. M. Johnson), have almost on a daily basis impressed upon me their deeply held concern about the growing impact of these two disputes in their counties. I have been listening to what the members have been saying, and I want those members and this House to know that.

I have some personal sensitivity to the difficult situation in which they now find themselves, because some seven or eight years ago, in the spring and early summer—but largely in the spring of 1978—as a private member I experienced a secondary school dispute in my own county. I can say from personal experience that I have some feeling for the pressure under which the honourable members find themselves.

As I indicated to the House today, I have been in communication with the chairman of the Education Relations Commission as recently as this morning, and I have asked him to bring both parties in Wellington to Toronto immediately so they can undertake intensive negotiations under the able leadership of Norman Bernstein, the ERC mediator in Wellington, and under the watchful eye of the commission and of the minister to see whether we cannot do what we all must know is the best thing in the Wellington dispute, and that is to arrive at a locally negotiated settlement.

I hear what my friends in the Progressive Conservative Party say when the member for Scarborough Centre draws to my attention the pain and difficulty that the 8,200 students are experiencing; I know what they are saying and I hear it very clearly. But as I said to my friend from Mount Forest earlier this afternoon in question period, surely other people who have a mandate under our system and under our legislation are listening very carefully.

4:10 p.m.

I cannot believe, because I know Wellington county too well for this, that the duly elected members of the old board and the members of the new board, as with every member of the Ontario

Secondary School Teachers' Federation negotiating team, are not listening, are not watching and are not feeling what those communities and those students are experiencing.

In regard to the educational situation of the 8,200 students in Wellington, I cannot believe the good people of that county, as represented on the two negotiating teams, are not prepared to do what their neighbours next door in Grey did last Friday night, which is to work it out together. I have too strong an opinion about the good judgement and the good sense of the people of Wellington county, as represented on the two negotiating teams, ever to believe they want the pain and the suffering, to which the member for Scarborough Centre and others have so eloquently referred, to carry on.

As has been noted by the previous speaker, we have had more than 10 years' experience with Bill 100. It is not perfect, to be sure, but it has resolved far more than it has left undone. We know from 10 years' practical experience that if one really wants the issues that lead to the dispute in the first place to be resolved and not to reappear in a year's time, it is absolutely essential that both the parties, recognizing all the local situations, work it out between themselves, and then very carefully monitor the situation it is true.

I chatted last evening for some many minutes with Mr. Paul Nelson of the Wellington county board and I hope I made it as clear as I can possibly make it that this minister expects responsible local authority, to wit in this case both negotiating teams in Wellington county, to get on with their job in the interests of their community. Some say, "It cannot and will not happen," but people were saying that of Grey last week and they worked it out in Grey county. I am sure it was not easy, but they worked out a tentative settlement that is to be ratified by both parties tomorrow evening.

The member for Scarborough Centre talked about jeopardy. The member is a very experienced politician in school board issues, and I have a lot of respect for his experience and the judgement he has developed from that kind of experience, but he knows what the legislation says about the jeopardy process. There is a clear responsibility placed on the shoulders of the Education Relations Commission to make a finding of jeopardy. As of this day, November 19, the ERC has not made a finding of jeopardy in Wellington.

I do not want to be provocative, because I might elicit very incisive intelligence from my friend the member for Burlington South (Mr.

Jackson). If I did wish to be provocative, I could recall to mind for the benefit of the official opposition the reality of Renfrew in 1978 and of Sudbury in 1979-80, where a finding of jeopardy was made by the ERC. The then Minister of Education said, "I do not intend to intervene, because I want both parties to work this out between themselves," and in Renfrew county they did work it out after a finding of jeopardy was made. It is very important that we understand our responsibility, that we follow practices and procedures that have in the vast majority of situations in this province over the last 10 to 11 years resolved these, I will admit sometimes very difficult situations.

This minister shares the concern of his colleagues the member for Wellington South, the member for Grey, the member for Grey-Bruce and certainly the member for Wellington-Dufferin-Peel.

I want a resolution as quickly as possible, but I am under no illusions about the best solution. It is the one that I continue to emphasize as the preferred course of action. That is why I expect, within the next 24 hours to 36 hours, when both parties from Wellington gather together under the watchful eye of the Education Relations Commission, they will be very anxious to get on with their job in the interest of their students and their communities. Under that condition, this situation will be solved by them, not just for today but for the longer term.

Mr. J. M. Johnson: I hope the watchful eye will be the minister's eye and no one else's.

I have concerns that we are dealing with—if I can use the term—a lame-duck board and not the new board, which will not take office until December 1. I feel this strike is not going to be resolved by the old board. It has not done so in the last 18 months and I see no possibility of a change coming now.

The minister has encouraged me for the past several weeks to be patient; that a locally negotiated settlement is best. I would appreciate and even hope that such a thing would happen, but unfortunately it has gone on too long. Both parties are too set in their ways and they are not going to give. I do not see it happening.

We are simply denying the students of Wellington any hopeful means of achieving this school year. We are driving some of them out of the school system. They will never return and we have to accept the responsibility for doing that by abiding by a piece of legislation that possibly needs some changes.

We have 4,217 students in the semester program. After 46 days, the minister would have to agree there is not much hope they can make up this year. If they do, then the school may be meaningless. What do they teach them?

I have had letters from young people and their parents pleading with us to solve the problem, to get both sides together. The minister, on many occasions, has told the members who represent Wellington and Grey that we should exert pressure at the local level. We have, on a continuous basis, tried our best to encourage both sides to give and neither side will budge.

We have a position that is not going to be resolved unless the minister takes action. Two weeks ago, I requested he invite both sides to sit down with him, possibly not together, but on an individual basis. He could listen to their presentations and decide in his own wisdom if either side appeared to be willing to compromise in any meaningful way. The minister has suggested that the negotiator, Mr. Bernstein, is now going to supervise this hearing or meeting that will be coming up. He has not been able to solve any of the problems to date, and I do not think he is going to be the one who can do it now.

I appeal to the minister once more that it is his responsibility as Minister of Education to provide the opportunity to the young people of Wellington to have access to education that is being denied them now. All members of this House can take credit for the good points and the bad points of the legislation we have now, but it is not satisfactory to solve the problem we have.

4:20 p.m.

I asked the minister several weeks ago if he would give consideration to setting up an all-party committee to review Bill 100 and the Morrison report with the hope of making some small amendments or changes to the legislation that would allow more protection for the rights of the students.

Under the bill we have given many rights to the teachers and the board, but we have totally ignored the concerns of the students who are paying the price for this controversy. It is my feeling we should have an all-party committee review it. We should listen to both sides of the issue as well as to representations from the parents and the students.

The strike is in Wellington county today; it is still in Grey county. We hope it will be resolved tomorrow, but on another day and at another time it is going to be another county. It is an ongoing problem we are going to have to face. I feel there has to be a better mechanism of solving problems

of this nature without making our young people pay the price.

I said to the minister that we introduced legislation that guaranteed every child in this province an education that would meet the expectations of his or her parents. That came into play this September. I do not think my people in Wellington county feel there is anything of that nature in existence today.

We also have legislation that requires young people to attend school until they are 16 years of age. As I mentioned earlier, we have the Canadian Charter of Rights and Freedoms. I ask the minister to have the Attorney General (Mr. Scott) determine whether the students are being deprived of their rights by Bill 100.

It is time we took a look at the legislation. Maybe there is no other mechanism that can replace it, maybe it is the best we can draft; however, I do not think there is anything wrong in taking a look at any piece of legislation every 10 years or so to see if we cannot update it to meet the needs of the changing society we live in.

I would like to mention that I have received countless petitions and resolutions from the municipalities in Wellington county. The one I will quote is from the Wellington county council.

"That the Wellington county council supports the stand of the provincial members of the Legislature in this area and requests the province of Ontario to hold a jeopardy hearing regarding the status of secondary education in the counties of Wellington and Grey, and that the resolution be circulated to the Premier of Ontario, the Minister of Education and all members of Parliament concerned."

Similar resolutions were endorsed in nearly every municipality in my riding. The town of Durham in Grey county passed a similar resolution that nearly all the municipalities endorsed as well.

There is a tremendous feeling of hostility in the county that the students have to go through this type of exercise. We seem to have lost sight of the fact that education is basically zeroed in on the students. I fail to understand how we as legislators can live with a piece of legislation that does not give more rights to the students of this province.

I believe one of the problems we have is that since it happens only occasionally and each member perhaps has to go through it once, we are not as concerned about it as we would be if we felt it would be a repetitious event. However, going through it once is once too often. I went through it with the Peel board a few years ago;

this is my second time around. I feel the time has come at least to look at changing the legislation to better reflect the position of protection for the students.

I submit that the minister, the Premier, the Wellington County Board of Education and the Ontario Teachers' Federation have all failed the students of Wellington county in their joint responsibility to provide access to an education to these young people.

We have to make a substantial change in a very short time. If we do not make the move until the new board comes into place on December 1, the minister will have to assume responsibility for having failed the children of my county.

Mr. Mackenzie: I want to make a few brief remarks in this debate; I had not intended to do so earlier, but it is one that is close to my heart.

To begin with, anybody who has concern for people and for the institutions in his community is always going to agonize over difficult labour situations. I have never questioned that the process may have to be looked at from time to time and may have to be adjusted occasionally. The problem I have found in my career in the labour movement up until now is that very few organizations of workers, whether they be industrial trade unions or teachers' organizations, feel there is objective fairness and equity in any enforced settlement.

I also sometimes wonder why, when we get into trouble like this, the call is always for the government to order the teachers back to work. I sometimes wonder what would happen and what would be the attitude of the boards towards settlements in situations like this if the minister had the authority to order from time to time that the contract demands of the teachers be implemented. I suspect one or two examples like that would very quickly change the attitude of a recalcitrant board. I do not know whether that has been done in this province, but I do know of a number of cases where workers have been ordered back to work.

I submit to the members of this House, and with respect to some of my Tory colleagues, that we are reaping some of the results of a rather disastrous last few years of ordering workers back to their jobs. I can think of teachers, transit workers and any number of groups the Conservative government ordered back to work, in at least one case before the strike had even started. As a result, I can also recall that the destruction of collective agreements through restraint legislation did not add to the respect that workers have for free collective negotiation.

When one has a government that has been very free in the last few years to order workers back to work, which certainly does undermine the entire free collective bargaining process, it does not build up one heck of a lot of respect, and it sets some very dangerous precedents, which are what concern me. If we indicate, as we have, that when the going gets a little bit tough we are willing to deny the whole free collective bargaining process and order workers back to work, then there is no incentive, or very little incentive, for a board to reach settlements.

As I say, I do not like a long, difficult labour situation any more than any other person in here. Maybe one gets a little better perspective if on one or two occasions in one's lifetime one has been involved in and has had to tough out a fairly long labour dispute. However, I give the minister and the government credit up until now for trying, I hope, to reverse the process we went through with the previous government during the last few years of immediately ordering workers back to work—in some cases, as I say, very quickly—and for trying instead to make the parties realize that today one has to give the free collective bargaining process the opportunity to work and that this has to be understood as the route we are going to go.

The government may go through a couple of rough periods until that feeling is re-established and some trust in that process is re-established, but once that has happened we will see that only in an extremely explosive situation will the sides dig in, as seems to have happened here.

I think the government is right in calling the two sides together; that is a move with which I have no difficulty. However, I would hate to see the policy of the previous government reopened by this government in terms of ordering workers back to work immediately there is any trouble.

4:30 p.m.

Mr. Ferraro: Perhaps much to the chagrin of my good friend the Minister of Education, I am grateful to the members of this House for allowing this debate to continue. It is selfish for me to say that, because it is an experience I am having for the first time. Many members have experienced it many times.

The reality of the situation is in all probability one of the worst experiences any member could have. The philosophy being expressed today by various members can be debated at length, some might say ad nauseam. My philosophy on this issue would bore some of the members as well. The realities do not leave much room for philosophy.

The realities of the situation are that I have a divided community. I am sure my friends the member for Wellington-Dufferin-Peel and the member for Grey fully realize the wounds are extremely deep. I have teachers crying in my office. I have parents, children, people who have had to change churches because they cannot go there and talk to their friends. I have neighbours, politicians and municipal and township councils that are not talking. I have had strong labour collective bargaining rights activists tell me the only solution is legislation.

It is unfortunate that we have two sides in the situation, both of extremely high intelligence, an elected body on one side and a professional group on the other, and after 18 or 21 months they cannot come up with a solution. However, the reality is that the buck stops here.

The minister and this House know that, selfishly perhaps, I have advocated the teachers should not have the right to strike. It is not the position of the minister, and I respect that. In my heart, I know he is right, because in the present system that would complicate future negotiations. If a government gives the right to strike and then legislates people back too quickly all it is doing is saying it has a new agenda and that is to legislate strikes.

I have some difficulty with where this House exercises its right, quits passing the buck and takes a position. When it comes to our children, all members will agree it is a responsibility that has to stand in the forefront.

How does one speak to a kid—as I did last night when I went to buy a hamburger, going to my office to answer about 50 or 60 calls—who says, and this is the attitude now: “You might as well take your time and not worry about legislating them back to work. I am in grade 13, and quite frankly I cannot apply for university because in my heart I know I do not have the education”? One runs out of rhetoric.

What does one say to a taxpayer who says: “You collect taxes from me, and there is a law that they have to go to school, but there is another that says people in capacities to teach have the right to strike. I respect the law; however, one law negates the effect of the other”?

I do not want to argue philosophy here, but the system is wrong. There is no question the system needs changing, whether by an all-party committee or not. It is an inconsistency that there are mediators from the Education Relations Commission who are paid by the hour. The perception may be misleading, but that is reality.

It is distasteful, indeed dreadful, that students have to go around in a state of complete disillusionment and apathy. Some have quit school. I had a call the other day about one student who ran away. In my view, it has gone beyond the point of rhetoric. Perhaps selfishly, I say something has to be done.

I am grateful to the minister for the support he has given. I am grateful he has taken the action he did today. I am hopeful that cooler minds will prevail, that sensitivities will prevail. The unfortunate thing about it is the timing. There is a board that is fixed, there is an election and there is a system that demands time; but there is another system, and indeed there are lives, that do not have that time to give.

Let me conclude by saying I wholeheartedly endorse any action the minister takes. I am appreciative of the decision he has made today and hopeful that a resolution will come. I have my doubts in the light of what I have experienced and what I know. Perhaps it is presumptuous on my part, but I am quite concerned as to how the system can be changed and, more important, how I and the people in my constituency can begin to heal the wounds that are so deep.

Mr. Jackson: I would like to acknowledge the member for Wellington South and the very sensitive and obviously heartfelt comments he has made in the House. I dare say they are similar in nature to the ones from the member for Wellington-Dufferin-Peel on our side of the House. The honourable member raised the most important issue and is probably one of the few speakers on that side of the House who has addressed the very important issue of what is happening to the students in Wellington county.

I was concerned that he required a question during question period to his own minister on this very important issue. I was equally concerned that after November 1, when there was the first evidence from his local jurisdiction that a resolution was being sought from the Education Relations Commission, the new Minister of Education in his wisdom chose to wait 18 days before reacting to that in a meaningful or even positive way.

4:40 p.m.

I am concerned that the member has such deep feelings about his party's position in this matter. I deeply miss the attendance in this House of Mr. Elgie, and on behalf of my party, I quite openly invite the member, because we agree on that very important issue, to join us on the very important point of who in this House is speaking on behalf

of the children of Wellington county for an immediate and direct resolution.

I am impressed by the new Liberal government and its ability to procrastinate on this issue. I am equally impressed by the New Democratic Party's ability to posture on the issue. We have heard very eloquently from my colleague on the standing committee for social development, the member for Hamilton West (Mr. Allen), who was prepared to raise the issue in debate today, but quickly hastened to add that his party has never been a party to support third-party or legislative intervention.

Mr. McClellan: That is right; that is what he said.

Mr. Jackson: One of the few times I listen is when an education-related matter comes from the NDP caucus.

Following those comments, he went into a grand discussion about free collective bargaining in this province. In the midst of a crisis in education in this part of the province, he wants to have an ethereal discussion in this House about Bill 100 and the workings of the Matthews commission on school board-teacher relations.

Mr. Foulds: You want to abrogate the legislation.

Mr. Jackson: The Matthews commission was a document and a review of Bill 100. I know; I was a trustee of the Halton Board of Education for 10 years and chairman of the salary negotiating committee for six years. I was appointed to serve on a committee to make recommendations to the then minister. Unfortunately, the areas of jeopardy, of third-party intervention, the point at which a student's education is in jeopardy, were not given justice by the other two political parties of that day.

Mr. McClellan: We were not the government.

Mr. Foulds: I thought the Tories were the government.

Mr. Jackson: Of course we were.

Mr. Foulds: And what did you do?

Mr. Jackson: The New Democratic Party has said that it was encouraged—in fact, relieved—that the trustees had moved on this important issue. This is further evidence of the fact. No reference to any movement on the part of the—

The Acting Speaker (Mr. Morin): Would the member please address the chair?

Mr. Jackson: Thank you.

Mr. McClellan: He is attacking Tom Wells.

Mr. Jackson: The New Democratic Party clearly stands for the labour components of this crisis and not on behalf of the children of Wellington county. The Liberal Party appears to stand for everybody, and in the process is standing for no one. Only on this side of the House have we raised the important issue of who is standing on behalf of the children.

There is only one issue, which is that in any conflict worthy of a resolution the students must continue to receive their education. In all efforts by this House, in this debate, in the minister's support—and I would ask his colleagues to advise him of my suggestions since he has left the House—we should do all in our power to ensure that their post-secondary education is not in jeopardy.

Finally, I reiterate, on behalf of the students of Wellington county, that I encourage the member for Wellington South to join with the voices from members on this side of the House who are speaking his message backed up with our convictions.

The Acting Speaker: The member for Grey-Bruce.

Mr. Andrewes: Come on, get your act together over there.

Mr. Sargent: Look who is talking.

While the clock is ticking, 13,000 of our kids are in a grave chance of losing their year. Time is of the essence. I think of the doctor in Owen Sound who gave a guy three months to live. The guy did not pay his bill; so the doctor gave him another three months. We do not have that luxury here.

Mr. Andrewes: Was he opted out?

Mr. Sargent: The information out is that Grey has been settled. With all respect to the minister, we hope he is right when he says that. The Education Relations Commission was involved with a commitment from the four members concerned, the member for Grey, the member for Wellington South the member for Wellington-Dufferin-Peel and myself. We had an understanding with the ERC that it would make a movement prior to tomorrow, at which point there would be more positive action on behalf of the government members on this matter. It would seem the ERC has moved in on Grey, and there is a tentative agreement which is not approved by the board.

This is for the record only, to say that I trust the man who heads the ERC. He gave me the belief he has things in hand. We hope he has.

In so far as the problems in Wellington go, there are real problems with a new board coming on there. Whether the new board will assume the obligations of the old board is a tough matter for the minister and the member to sort out. At two o'clock today, our very able minister—I will tell members how able he is: he called me one night at 12:30 in the morning to get back on a phone call he had not made earlier. He has been going night and day on this matter. I do know he is trying to play the game by the rules laid down by the archaic gang over there. They had 42 years and the best thing they could come up with was this ERC deal we have now, which is truly a joke.

Mr. J. M. Johnson: Let us change it then.

Mr. Sargent: I want to say the whole system set up by the former government is archaic. We have inherited this thing and now we have to come up with some intelligent answers.

Even the taxation system is wrong. They charge the whole bill for education against the home owner. Think of that for a moment. The home owner is paying the freight here. If there are two people, one with \$50,000 in cash and the other with \$50,000 in real estate, the person who has the \$50,000 in real estate has to pay 50 per cent of his taxes for education, while the man who has his wealth in the form of cash pays nothing towards the cost of education. There must be a better way to revise this whole system.

Grey county has about 4,800 students. The issue appears to be money. The teachers there now receive \$42,000 basic and \$46,000 tops, plus increases. The average wage in our area is \$14,000. Bill 100 is the creation of the past Tory government. It is chaos for the minister and this government to try to come up with a viable solution.

4:50 p.m.

The ERC system of jeopardy is wrong. The students are made the pawns in this battle by teachers for making more money. I think possibly we must have some protection in the Charter of Rights in this country. I have asked the Attorney General's office whether we can get some ruling whereby the students collectively could have a class action against the boards and the teachers. Somewhere along the line we have to think of them as important. I firmly believe teaching is an essential service and teachers should not have the right to strike.

Interjections.

Mr. Sargent: In this free country, one can say what the hell one likes. That is what I feel like.

Mr. Foulds: The member is lucky he is not serving as the parliamentary assistant to the Minister of Education.

Mr. Sargent: I would get a good education if I did.

I believe teachers are a very special class of people. Teaching is a very demanding job. Most teachers I know are dedicated and do not want the right to strike.

Mr. Warner: Does the member want to run that by us again?

Mr. Sargent: Most teachers I know have told me they do not want the right to strike.

Mr. Warner: The member does not know very many teachers.

Mr. Sargent: I am looking at a certain class of guys who do want to strike.

The Acting Speaker: Order.

Mr. Sargent: I never got too far in high school, but the word "salary" is a derivative of a Latin word meaning "worth your salt." Anyone in the teaching field who can appear at the front of a classroom every day is worth his salt and has a right to a fair, good salary, but not to holding our kids at ransom. There has to be a better way.

I am hopeful by Wednesday we will have good news from Grey county that they definitely will be able to go back. I certainly hope the problems of the students represented by the member for Wellington-Dufferin-Peel and the member for Wellington South will be solved in the same way, by having the Education Relations Commission make a deal with the negotiators.

Mr. Barlow: I do not know whether I can add very much that is new, but I would like to reiterate a few points I feel are of great concern in this strike that began on September 16, some 46 days school days ago now. That is really more than two months that the strike has gone on.

Everybody has agreed the students should be involved. I do not think there is any dissenting voice on that. There are more than 8,000 students involved in this particular strike and somewhere around 500 or 600 teachers who are trying to negotiate with the board.

As the chairman of the board, Mr. Nelson, said, he feels the students' year is now in serious jeopardy. These are the people about whom we really have to be concerned, particularly those in grade 13 who have a desire to go to university. As my friend the member for Wellington South said, they now feel their chances of getting to university are pretty slim at present, because they have not had the background or education they require to move on to a school of higher learning.

Those who are involved in the semester system feel the first portion of their semester is just about shot. They can certainly salvage the other half, but that is not going to do them a lot of good.

There are a few suggestions that could be brought forward to help them survive. The semester could perhaps be offered through two shorter terms. That may help them. Removing the semester program and putting them all into the full school year program could be an alternative, but the thing I think we are all concerned about is getting those students back to work.

At this time, both sides—the teachers on the one hand and the board on the other—have their own opinions. They are at the logjam now. It appears that neither one of them wants to budge, because neither side accepted the most recent offer proposed. It is now a matter where we really have to take a look at having the students get back to school.

My friends on the far left have suggested: "Wait till the new board comes in. Let the new board have a chance." That is another two weeks away. The new board is going to have to sit down and be brought up to speed on this. It could be another month before it has an opportunity even to negotiate with the teachers. I think that has to be the wrong solution, the wrong approach.

I certainly agree with what the minister has been saying every time he is asked a question, and he has been asked many times in the House. A negotiated settlement is the best settlement. I do not think there is any question about that. A month ago that was a great answer. Nobody was arguing it at that time, because there was still an opportunity to salvage the school year; but now, two months later, the time has come where the students must be looked after. Over the next couple of days negotiations are going to take place in Toronto. If those are not going to bring any results then they just have to be brought back.

I have here a bunch of clippings from the *Daily Mercury* in Guelph, which has run many editorials. There are many different comments of various writers and the editor. They all have real concerns, and the concerns are primarily those of the students, and of the parents who pay their taxes to have their kids go to school and receive a proper education. There are many letters to the editor. I think it is called the Citizens' Forum in *The Daily Mercury*. There are many letters suggesting that the two sides quit playing games with the future of their kids. That is really what it all boils down to.

A number of citizens of the Wellington county community are really getting very—I suppose to say they are getting angry would be putting it mildly. I know the Grey strike appears to have been settled. I guess we will know what the outcome is tomorrow. That community has been left divided because of the negotiations that went on there, using the students in that system as pawns in a chess game. It is wrong.

It is the same thing in Wellington, as the member for Wellington South has said. It is dividing the community in Guelph and throughout Wellington county, because these people have become so hard-nosed on this whole matter. In many cases they are not able to talk rationally about it now. It is just a case of saying: "Get our kids back into the school and let them have a decent chance at continuing their education. For those who are in grade 13, if there is any chance at all of their going to university, fine. If not, then let the rest of the students complete their year successfully so they can go on and be prepared for future education."

5 p.m.

I was going to read some of these quotes from the the Daily Mercury in Guelph, but I do not think there is any need to do that. Probably what members have said throughout the course of this debate is sufficient, but I do want to assure members that these quotations are all here. Mr. Speaker, if you like, I could hand them down for perusal at your convenience. I am simply pleading with the minister to give these kids an opportunity to get back into school within the next couple of days. He should take some action.

Mr. Foulds: I would like to state very clearly I do not believe this Legislature should bring in back-to-work legislation in this dispute. One of our party's speakers consistently opposed back-to-work legislation and I will get into the reasons for that in a few moments.

Let me also say, right off the top, I understand fully how difficult the situation is in Wellington county. Although I am not a native of Guelph or of Wellington county, I understand as a parent who has kids in the school system, through having been a teacher before there was collective bargaining between teachers and boards, and as a person in public life in this province.

Public sector disputes are the most difficult with which to deal. Public sector disputes in education are even more difficult because, in Ontario's history, education has always been of great importance to the populace. We are quite a unique jurisdiction in that respect.

We think education is so important we not only have a Ministry of Education centralized here in Toronto with the government but also, before Confederation and after, we have had democratically elected school boards to administer education and deliver educational programs at the local level. The reason that has happened historically is we have understood the diversity of interests and regional differences in this province.

We know very well that if a human being is to be fully and properly educated, he must not only understand his position in our province and country and internationally, but also he must try to comprehend it at the local level. Therefore, we have given democratically elected school boards tremendous responsibilities and duties.

As I have said, educational disputes are always difficult. They were even more so before Bill 100 was introduced because there was no clearly defined method of negotiation and resolving disputes. Although the School Boards and Teachers Collective Negotiations Act is not perfect, by and large it works fairly well.

No piece of legislation devised in this country, let alone in this Legislature, is perfect or has worked perfectly; and so we find ourselves in situations like these, with a dispute which has gone on for some 46 days; about which, of course, we feel anxious, as do the students and their parents.

However, I would remind my friends in the Conservative Party that in their more progressive days they brought in the act and it received approval from all three parties in the Legislature. The former government at no time amended the act. It has been 10 years now since it was brought in, and the Conservative Party has not amended the act.

I think that relatively few amendments need to be made, but I believe the processes, which include voluntary binding arbitration and final act selection arbitration as well as the normal collective bargaining procedures, are pretty good. What needs to be done in a situation like this is for the minister to take some action. The action I would suggest that he take is to call the two parties together, which I believe he has done, under the aegis of the Education Relations Commission, put them in a room with water but no food, lock the door and tell them, "Settle it, fellows."

I believe, as does the minister, that it is extremely important not to abrogate the right of local autonomy. I believe it is extremely important that the local people settle the situation. I have travelled to Guelph and to Well-
ington

ton county a number of times and I believe there is enough wit and wisdom in the people of Wellington county—and I suspect that the results of the last election show they have it—that when a situation has got to the stage where it appears things are not working they will change the situation. I hope we do not take the step of abrogating local autonomy, because if we do it in this situation, even for good reason, where do we stop?

I was just doing some research. I was one of those, I admit, who, as Education critic for our party back in the early 1970s, first advocated that teachers and boards collectively bargain in a reasonable and organized way, and that they not use this old phoney technique of mass resignation at Christmas or at the end of the school year. By and large, there was a rough period once the legislation was introduced during which there were a number of disputes. Frankly, both parties probably sat back a little bit to see how it would work and to see whether the Legislature would legislate them back, and it did so on a number of occasions. There were 29 sanctions—that is, strikes or work-to-rules—in the three years before Bill 100.

An hon. member: Lockouts, too.

Mr. Foulds: Lockouts, and that was before Bill 100. In the three years before it there were about 29 various kinds of sanctions: work-to-rules, mass resignations and all of that stuff. But in the first six years after the legislation was introduced, there were only 29 sanctions in twice the time. That shows it has brought some orderliness to the situation. It is not perfect, but it has brought some orderliness.

I believe a number of people have said: "The government should change the legislation. It should do something to protect the children." I believe the people who are advocating that have a responsibility to tell us specifically what sections of the act the government should amend and what situations it should change. If they believe in back-to-work legislation, which I do not, I believe those who advocate it have a responsibility to spell out clearly the circumstances in which back-to-work legislation is required.

5:10 p.m.

I believe that in all situations we can come to reasonable agreement among reasonable people. Let me also say that education does not take place just in the school. Education is a lifelong process. Education is a process that takes place from the time one wakes up until the time one goes to sleep, and I suppose some psychologists would say even while we are sleeping.

I would hope, although the formal course of education has been interrupted in Wellington county, that the situation itself has been an educational experience for the children, the teachers and the people of Wellington county. The lesson they have had to live through will stand them in good stead throughout the rest of their working and living days.

Mr. Callahan: The particular issue before this House in this emergency debate is one that one would anticipate would be dealt with almost along the lines of how a problem which might arise within a family would be dealt with, in a very sensitive, compassionate way.

We have all heard the hurt that exists, not only from the members on either side of the House from a political standpoint, but also from the standpoint of being human beings concerned about children and their education. If we were discussing the question of a strike in some other sector that did not interfere with the education and wellbeing of human beings within the educational system, the family system, or as the member has indicated in terms of neighbours against neighbours, I am sure we could debate the issue with a far less compassionate, a far more objective, approach.

The minister has certainly been totally responsible in this area. He has advocated the local settlement of this matter which is where it should be settled. We have to recognize that within the course of this strike there are very severe difficulties going to arise for the teachers. We have to recognize they are sensitive human beings and cannot help but be affected by the length of time they are required to remain out.

Within the framework of these human beings working out this particular situation, we can hope with a good deal of positive cause that this will be resolved in the appropriate fashion, within the framework of healthy collective agreements. We do not want the opposite situation, where every time a problem arises that cannot be solved on a local basis it should be solved by this government. If we do it in this case, the next time it will be that much easier to have the collective process circumvented and have people look to the government to do the job. That certainly is not a healthy situation; it is not one that is productive.

One would have hoped this would have been addressed within a family-like atmosphere, in a sensitive manner, rather than one where one party might be trying to take a little bit of political gain out of the fact this strike has been going on.

I commiserate with the member for Wellington South that during the course of travelling

around his riding he discovered little circulars showing up with the face of a member of the Conservative government in Ottawa. Written on the back page was something to the effect of, "We are keeping our eye on you, Rick Ferraro." It quoted all of the statements that my good friend from Wellington-Dufferin-Peel has made in the Legislature, but not one word by the member for Wellington South.

That is why I started off by saying one would expect, within the framework of the sensitivity and human suffering in this particular issue, that one party would not attempt to take political opportunism and try to win votes out of it.

Mr. Stevenson: The Liberals have never done that.

Mr. Callahan: The members of the official opposition have not approached this particular issue with the sensitivity and humanity that it requires. They have added fuel to the fire.

The official opposition in this case has not acted responsibly. It has not acted in a vein of trying to accomplish the resolution of this problem in the appropriate fashion.

Mr. Stevenson: Ask the minister.

Interjections.

The Deputy Speaker: Order. The member has only a certain amount of time. Would you please let him have that?

Mr. Callahan: Day after day the members of the official opposition have attacked the Minister of Education in this House while the television cameras were rolling, indicating that they were trying to be a responsible opposition. When they do this to a gentleman who is suffering through a strike in his own riding and then have the audacity to pass around a newspaper that is fueling the fire, they are not approaching it in a human fashion or sensitive fashion. They deserve to be chastised for that. I suggest to all members of this House that if, in the past—

Mr. Cousens: Who comes first; the chairman or the minister?

Mr. Martel: The member's government allowed the strike to go on in Sudbury for 56 days. Did the member forget those 56 days?

The Deputy Speaker: Order, the member for Sudbury East (Mr. Martel). I said order.

Mr. Callahan: In the interest of the children who are being affected by that strike, we should put behind us the opportunism that has been used by the members of the official opposition and try to join together as a family to resolve this sensitive situation because it does involve

children. It does not involve the running of the Toronto Transit Commission or a factory. It involves human beings. I suggest to my friends opposite in the official opposition that they take that view and not attempt to subvert this entire process for their own political opportunism by passing out circulars in the riding of a man who is already bleeding.

Mr. Cousens: This is a very important day. I am pleased the Minister of Education is staying here for the entire debate and listening as carefully as he seems to be. I hope he will be able to take some action from the advice that we are trying to share with him and his ministry, because we are facing a very serious crisis that is getting worse by the day. It was 46 days yesterday, 47 today, by Wednesday it will be 48 days, 49 days on Thursday and 50 days on Friday. With two and a half months in a semester system, what does that do to the young people? What happens to them in the middle of a strike like this?

I suffered through a couple of strikes. There is one that I will never forget, which is well recorded in the Hansard debates as it affected us in 1974 when the York County Board of Education had its great altercation. The teachers and the board had gone through many days of negotiations. I remember as one of the negotiators, that we spent more than 70 days trying to work it out ourselves.

The board suffered, the teachers suffered and the community suffered, but the major suffering group during that strike was the young people. Many are still feeling the effects of it. Many of their lives were altered for ever because of what happened in that strike.

They are the young people, the children, the boys and girls who were in the school system, who were ready to go to school and who wanted to go. Some were going on to post-graduate work out of high school, some to community colleges and other places. The sadness is that some of those young people quit. Some of them opted out of the school system because they did not feel there was enough confidence, in their own minds, that the school would be open. They quit school and went out and worked.

Mr. Philip: What about all—

Mr. Cousens: Would the member be quiet? He has no respect for anyone else who is talking.

The Deputy Speaker: Order. Would the member for York Centre please address the chair?

Mr. Cousens: The reason for that is his ears and mouth do not know how to work together; one should stop and let the other work.

5:20 p.m.

When we start looking at the number one effect of a strike such as this, it is the young people who are affected. If the Minister of Education were to go through Wellington-Dufferin-Peel and speak with the people involved, he would witness the kind of anguish this is causing them. It is a long-term suffering; it is not just now. The marginal student decides, "I am not going to stay in school." He quits and goes to work. Another student who is thinking of going to university says, "I will go and work for a while." He enjoys the job and then does not go back to school. Some other person might become confused about the whole thing, lose confidence and away that person goes.

The clock is ticking even now as we talk and the young people are still out of school. The member for Port Arthur (Mr. Foulds) says, "Do not bring in back-to-work legislation." It is back-to-school legislation; it is something to allow these young people to get back where they should be, where they are gaining and growing, where the school system can do what we want it to do.

We are talking about a very important process in Ontario, in which all parties came together and put together the legislation, Bill 100, that has been in place now for a number of years. It has been good legislation. It has allowed the negotiating process to be carried out between school boards and teachers so they can come to a conclusion. However, at one critical point the Minister of Education can intervene; he can bring legislation to this House when, as a result of the recommendations received from the Education Relations Commission, he concludes irreparable damage is being done to those children.

I genuinely believe the Minister of Education has to respond today. I am delighted, as are all members of this House, that he took the action at noon hour to bring both negotiating bodies together in Toronto. We hope he will have a chance to speak with, counsel and listen to them and maybe get a feel for where they are coming from. Through that personal contact, the minister will sense some of the problems between the boards and teachers and whether there is any possibility of a solution in the time frame that is facing us.

Once the minister has had the chance to listen to them, to get the feel for the negotiating process and to influence their thinking, he has tomorrow to let them carry out further deliberations and discussions. It is to be hoped we will get what we are all aiming for, a negotiated settlement they

are able to come to themselves. We will give the minister the credit. I will stand up with anyone else and say: "The Minister of Education has helped to solve it. He is a little late, but he has helped to do it."

If by Thursday at two o'clock there is no action, the Minister of Education can come to this House and bring before us legislation that will bring the bodies together by compulsory, binding arbitration. That is the time to do it. We have the opportunity to bring that in on Thursday afternoon. It could be passed quickly so the children of Wellington-Dufferin-Peel have a chance to go back to school by Friday. I am sure we could accelerate this process and not break the 50 days.

Then we would be in a position where, we hope, another strategy would go into effect. I believe that strategy will be there, not only in the dedication of the teachers and young people but also because they will find a way to make up as much as possible of the time already lost during the 46 days. Then we are in a position to see our system of education, in those communities that are so seriously affected, on its way to a long-term recovery.

I do not think any of us would want to be in the shoes of the members of the Legislative Assembly whose communities are so seriously affected by this. I know the pressure that comes out of a strike, the hard feelings and the hurt. The teachers will not feel right about themselves, about their profession or about the trustees. There is the same feeling within the administration of a board; and the parents become more and more riled.

It becomes almost impossible to do anything about the situation unless there is leadership. That leadership can come now from the Minister of Education and the government through their action of bringing legislation to this House. That leadership will bring relief to everyone involved in this impasse. The teachers, students, administration, parents and trustees will all have a sense of relief that someone has given the needed leadership.

We are talking now about the leadership of the Minister of Education, who by the way has exercised his duties well in very many ways. I would like to compliment the minister for the way he gave attention last week to the people of my riding when they came from the York Region Board of Education and the York Roman Catholic Separate School Board. He listened and showed them he cared. The fact he would take three hours out of his schedule for that is

something I have publicly acclaimed in my riding.

He has shown that generosity of giving time. We also want to see some generosity of money, and I suspect he will find a solution to that one. Now is the time for him to make the same kind of effort in Wellington-Dufferin-Peel to effect a permanent solution to this impasse.

Please do not listen to the New Democratic Party, which has a position one can predict totally and completely. If the minister listens to them, he will not do anything because they do not want him to do anything. They will be so happy if he just lets the strike go on and let things go on and try to beat Sudbury's record. The minister should not listen to his cousins there, but listen to this Cousens. We have—

Interjections.

The Deputy Speaker: Would the speaker please direct his comments to the chair?

Mr. Martel: He should withdraw that remark about us being happy.

Mr. Cousens: I am asking the minister not to listen to this group because it is trying to destroy young people by the kind of action it is suggesting.

Mr. Lupusella: Mr. Speaker, on a point of order: The honourable member should withdraw that statement and that accusation against the New Democratic Party. The fact that the NDP members were in favour of this debate shows our willingness and our deep concern about the issue.

The Deputy Speaker: I do not think that is an appropriate point of order. He was not addressing any honourable member.

Mr. Lupusella: We clarified our position.

Mr. Martel: This is relevant. According to the rules of this Legislature, a member cannot impute motives to another group. My friend said we were happy with that strike and wanted it to continue. I ask you, Mr. Speaker, to get him to withdraw. That is imputing motives, and you had better make him withdraw.

The Deputy Speaker: May I advise the member that it refers to imputing motives to any other member. In this case, he imputed—

Mr. Martel: That is right. That is 25 of us, not one, Mr. Speaker, and I ask you to get him to withdraw.

The Deputy Speaker: That is not an appropriate point of order. It was a party that the member was referring to.

Mr. Martel: It is certainly a point of order. Mr. Speaker, you get him to withdraw because

he was imputing motives to members of this caucus, saying we wanted that strike to continue. I want you to ask him to withdraw that.

The Deputy Speaker: Your point of order is not appropriate since he did not refer to any members by name or identification. He referred to them only by party.

Mr. McClellan: Mr. Speaker, on a point of privilege: It is not permitted in this House to make the kind of remarks the previous speaker made with respect to any matter. That is very clear. You know the appropriate sections of the standing orders and you heard what the honourable member said. He was clearly imputing motives. The application of the imputation was to my colleagues in the New Democratic Party from the Sudbury area.

5:30 p.m.

My colleague has asked you to ask the member to withdraw the remark. I ask you to reconsider the decision you made a moment ago. If you need more time to review Hansard to make sure exactly what was said, I suggest you take the advantage of time to obtain the Instant Hansard and come back before 6 p.m.

Mr. Cousens: Mr. Speaker—

The Deputy Speaker: Excuse me, the member for Bellwoods still has the floor.

Mr. McClellan: Somebody who is a former Deputy Chairman should at least have the courtesy to listen to a point of privilege.

The Deputy Speaker: Would you please address the chair?

Mr. McClellan: I suggest you obtain the Instant Hansard and review what the member actually said before you make too hasty a decision on this very important subject.

Mr. Cousens: If the members feel so touchy that I have imputed motives to them in any way by remarks I have made, I will withdraw any imputation, because I am more interested in seeing the debate continue with honour and distinction, even though I know they would like certain things to happen that I would not like to see happen.

Mr. Speaker, I thank you for this opportunity. If I may have a few seconds to close—

Interjections.

Mr. Cousens: They took time with this procedural wrangle. I hope that when this is over we may look at Bill 100 again and find some way of tightening it up and to look at ways in which there can be time constraints brought to bear.

Mr. Martel: I must say I am offended not only that the honourable member would impute motives, because standing orders 19(d)8 and 9 say one cannot impute motives to another party. Although you accepted his withdrawal, Mr. Speaker, the way he did it put it right back there; he left it exactly as it was. If you are not astute enough to notice that, then that is not my problem.

I want to talk about strikes, as a former teacher and principal and as a father of four. I also want to talk as someone who went through the longest strike in this province—56 days—in which I did not hear one Tory, not one Tory, get up and say in this Legislature that Dr. Stephenson should legislate the teachers back to work. Not a single solitary one of them got up and suggested that.

That was okay; it was the Tories in power, and the rules we played by were somewhat different then, were they not? They should change now when it affects someone else's riding because the Tories are not in power. We should play a new set of rules, we should ignore Bill 100. As my colleague the member for Port Arthur said. We had far more disputes and unrest prior to this legislation than we have had since.

I always worry when people want to get involved. Sure, it is tough. It is not easy. I understand what the members are going through, because I went through 56 days of it. My colleague the member for Nickel Belt (Mr. Laughren) and my colleague Bud Germa, the former member for Sudbury, toughed that one out. It is not easy.

I am not quite sure it does as much damage as my friend says, though.

Mr. Cousens: Have you ever asked?

Mr. Martel: I have kids at school, my friend. To look at education in its broadest perspective, if my friend says the whole educational system is going to collapse as a result of missing two to two and a half months of school, then the 12 years leading up to grade 13 have been pretty frail and fragile.

Two months can wipe a kid's career out? I do not buy that as a teacher. I do not buy it at all, and I suspect most people in the teaching profession would not buy it. There are no statistics I know of which show the kids are damaged. It might cause some problem. It might cause a lot of extra work once the kids get back to school.

I refer to another point my friend made—I wrote it down when he was saying it—"The marginal students quit in grade 13." I do not know how many marginal students make it to grade 13, quite frankly. As a teacher, I have not

seen marginal students who get to grade 13. They just do not go. The marginal students do not make it to grade 13.

Let us stop being ridiculous. When one gets to grade 13 in Ontario, one becomes part of a small group that intellectually is kind of elitist, because they were able to make it successfully. A lot of marginal students will never see grade 13. That is unfortunate. There are those of us who were able to get through; I always thank God we had enough God-given talent to get through. However, there are some students who cannot do it. My friend should not tell me about the marginal students in grade 13 who are dropping out, because they are relatively few.

Hon. Mr. Nixon: The member intimidated the teacher.

Mr. Martel: Maybe that was the reason.

Hon. Mr. Nixon: They promoted him out the other end.

Mr. Martel: It took me a long time; it took me more than 13 years. I was a slow learner. I admit to my frailties. I am not like my friend the Treasurer (Mr. Nixon).

I want to tell members what happens in a strike. My wife was in the middle of a teachers' strike in the middle of the last provincial election; it was the separate school strike, the first in the history of the Sudbury district. It was very unpleasant. In the middle of a strike in the middle of an election one usually has to take sides. Unfortunately, I have a tendency to be pro-labour and I was on the picket line. A picket line involving a group of teachers is not the most popular place to be in the middle of a provincial election, because we always hear the same cry: "The students are the victims."

This went to arbitration, and what has happened? The arbitration has been a disaster. I venture to say there will be another strike in the separate school system in Sudbury this spring, because the arbitration did not resolve a thing. They sent all matters to be resolved to an arbitrator. None of them was resolved to anyone's satisfaction, and the hostility is as great now; in fact, it is worse, because they went through 21 or 22 days of strike to have it go to arbitration and it was not resolved to anyone's satisfaction. We are worse off now. We are going to have a rerun because, unless people sort it out among themselves, things that are foisted on them do not resolve the issue in the long run.

What happens is that teachers start to pull back services. They are not as generous with their time, because they ask: "What the heck is the sense of being generous with my time? Why

should I stay after school? Why should I do this, that and the other thing when the board does not even care what we do?"

Let me give members the fine example that is going to lead to the thing in Sudbury. They have a clause in there providing two days for personal leave. Whether you agree with personal leave or not is immaterial; it is there. The number of grievances that are going to arbitration now is quite astounding.

For example, last Thursday a young man whose wife is in hospital phoned to have the day off. They said: "Fine. You can have the day off as a personal leave day. But if your wife does not have the baby before seven o'clock at night, you do not have a personal leave day; you have lost a day's pay." Is that a resolution to the problem? It went to arbitration and there was no resolution to it.

Mr. Pierce: Has she no control over these things?

Mr. Martel: No, she had no control, unfortunately. Mother Nature had a lot more control than she. That is the sort of silly resolution one gets when it goes to arbitration, and it does not help anyone. It exacerbates the situation.

My wife graduated from university in the spring. She wanted a day off when my daughter graduated from St. Michael's College. My wife took a day off because, even though she has personal leave, she cannot have a day's personal leave to come and attend her daughter's graduation.

Do members know what they said to her last week when it went to a hearing? The board negotiator, the lawyer for the board, asked, "Do you really feel it was necessary for you to attend your daughter's graduation?" She could not even get a half day off for her own graduation.

Now the school system is saying to teachers, "You really should be going to university." It is encouraging them and pushing them. If they want to maintain their job and if they do not have a degree, they push them to get it. She wanted half a day off to graduate and they said no.

Those are the types of things that come from arbitration. They are not sensitive, they do not meet the needs and, in fact, they create all sorts of other problems. It festers in the classroom. It also festers in the teachers' room, where most of the problems are resolved among teachers.

5:40 p.m.

We have to understand teachers. They are the last group in the world who want to strike. Have members ever tried to talk to teachers about a strike? My God; they think that is the worst thing

possible. I have not found a teacher who wanted to strike. They have to have their backs to the wall to strike, because they know they are dealing with children and they feel it. For the women in particular—men are a little bit more rambunctious than women—these kids almost become an offshoot of their families. They become so close to the kids. They do not want to strike, but forcing them back to work is not going to resolve a thing. Those people should learn that. If they do not learn it, that is too bad. If they think a two-month gap in an academic career is going to ruin the children, then our educational system is in dire straits.

Mr. J. M. Johnson: It is.

Mr. Martel: If it is, then maybe we should start from scratch—close the doors for two years, decide what is going on and start the whole process over again. I do not happen to agree with the member. It may be because I am a former teacher, but I think we do a pretty good job in Ontario. I may be biased, but I think the teachers give a lot of their time. If we had to, we could not even start to pay for the hours that teachers put in on behalf of children in this province.

Mr. Sargent: Ah, come on.

Mr. Martel: The member for Grey-Bruce should go and blow his horn. They are there every night. They do not get overtime as he does.

Please look carefully at what is being said when we talk of legislation. We resolved the Sudbury strike when we asked the then minister to do what I told this minister he should do 10 days ago, namely, bring both sides in when he reached the appropriate time. I congratulate him on doing that.

Mr. Mancini: I would like to join this emergency debate today, which has allowed members to discuss the situation in Wellington and Grey counties. I have quite a bit of feelings towards the members—

Mr. Philip: Here comes the conservative position.

Mr. Mancini: The member for Etobicoke (Mr. Philip) feels exercised about something. Is he busy?

Mr. Philip: I said, "Here comes the conservative position." Does that bother the member?

Mr. Mancini: No. I just was not sure what had been said. I am always curious about what the member says.

I have a lot of feelings about the difficulties, problems and personal experiences the four members are going through at present. Some of the members who spoke today referred to their

personal experiences in going through a strike in their own communities. During my tenure as the member in Essex county, I have been through two teacher-school board strikes. It takes two parties to cause a strike, just as it takes two parties to reach a settlement.

My experiences during those very lengthy strikes were ones which I would not like to recall. I do not like to recall the parents' demonstration that took place in front of my office in Leamington; the very nasty phone calls I received from mothers and fathers; some of the comments made by individual teachers who felt we were not giving them enough support for one reason or another; or the involvement of the Ontario government at that time.

What the member for Sudbury East says is correct. We who have gone through these particular strikes feel somewhat curious today as we hear the Conservative members speak, because the member for Sudbury East is right when he says not a single member of the government of that day showed any concern whatsoever about a 56-day strike in Sudbury.

As I recall the Sudbury strike, the facts will show that the Education Relations Commission did rule that there was jeopardy. The commission actually told the minister—the member for Sudbury East may recall that—that there was jeopardy. The minister of the day said: "The Education Relations Commission says there is jeopardy. So what? As the minister, I do not feel I should have to do anything about this particular subject." And she did not do anything. I believe more than 100 students left the school system because of that strike.

There has been and there will be a lot of personal suffering in teacher-school board strikes, as there is a lot of personal suffering in any industrial dispute that takes place. I have not been witness to a strike yet where there has not been tremendous suffering unless the strike was settled within 24, 48 or 72 hours. I have seen many industrial strikes, some of them in my home town, lengthy ones, and they are not easy to live with.

I know exactly what the member for Wellington South is going through. He has the right as the representative of the people of Wellington South to question the minister on his activities, on the ministry's activities and on the activities of the ERC. He has that right, which he has exercised, and he has done his duty on behalf of his constituents. A personal attack from any individual or any party, especially an organized attack, on what that member is doing or has done in no

way helps the situation. It causes me to give grave thought to the motives and to the real care and concern of the people who are exercising what they consider to be whatever duty it is.

I was sorry to hear such personal attacks were going on. I was sorry to hear they were actually distributing a pamphlet. Imagine that. In the middle of a strike that has gone on for 46 teaching days, 46 school days, some organization that may be affiliated with the official opposition would do that. Can members opposite stand up in the House and say they want to align themselves with people who want to orchestrate such activities? I do not think they do.

I do not think the member for Wellington-Dufferin-Peel does. I know that member very well and I do not think he would do it, not the member for Wellington-Dufferin-Peel.

One of the questions I was asked a lot after the school strike in Essex county, which lasted some 40 school days, and I still grapple with this question, was how is it possible to lose 45, 46, or, as in the case of Sudbury, 56 school days out of 180 teaching days—I think the member for Oshawa (Mr. Breagh) will agree that is correct—

Mr. Breagh: About 189.

Mr. Mancini:—and at the same time be able to complete everything one is asked to do in a school year when losing 25 per cent or 35 per cent of the actual teaching time? I know some of it is made up by extra hours and less vacation time; probably the professional development days are eliminated. We may be able to make up for half those days.

5:50 p.m.

At the same time, I have to say on the record that the general public has a difficult time understanding how all this time can be made up. If it can all be made up, they cast aspersions on what goes on in the school during the day.

I have to agree with the member for Sudbury East. Teaching is not a nine-to-five profession. If one wants to do one's profession correctly, it is not a nine-to-five profession. The teachers do look after their students, especially the students who need more help; they give them the help they need. The teachers involved in athletics spend hours and hours of extra time on football, hockey, gymnastics and all of those sports.

I do not think we should be here today so much to question the motives of people who are involved in this particular dispute. We should be urging, as the minister, the member for Wellington South and others have done, that it is their job to negotiate and to settle the strike as soon as they can.

I was delighted to hear the Minister of Education announce that both parties have been called to Toronto for an extensive round of talks under the supervision of the Education Relations Commission. I believe the doors should be locked and they should be held without food and water until the strike is resolved.

Mr. J. M. Johnson: I have a point of privilege, Mr. Speaker.

Mr. Speaker: Would you state your point of privilege?

Mr. J. M. Johnson: I want your advice.

Mr. Speaker: I will certainly listen carefully.

Mr. J. M. Johnson: Maybe I misunderstood the member, but did he imply I was responsible for distributing some literature?

Mr. Mancini: I want to make sure my very good friend the member for Wellington-Dufferin-Peel understands that in no way did I impugn him. As a matter of fact, I said he would in no way be involved. I said just the opposite.

Mr. Gillies: I join this debate, as it comes to a close, with a great deal of shared concern about what is indeed an emergency in the Wellington County Board of Education.

Mr. McClellan: Maybe it is the member for Brantford who is distributing the literature. Is he distributing the literature?

Mr. Gillies: Mr. Speaker, if the member for Bellwoods wants to say on the record he thinks I am distributing the literature, I think he should do so.

Mr. McClellan: No, I am asking. I would never say that.

Mr. Gillies: One thing has been demonstrated by this debate this afternoon, and that is that, regardless of any interchange between members earlier, it is very evident that all members of this House in all three parties have a grave concern about this strike and about the wellbeing of the thousands of students involved.

In reference to the recent speech by the member for Essex South (Mr. Mancini,) I would suggest that, while I am sure he was not directing any suggestion that my colleague the member for Wellington-Dufferin-Peel was distributing any literature, I believe he said he thought this might have been done with the sanction of the official opposition or, by implication, that it had something to do with the official opposition. I think that kind of comment is below even the member for Essex South.

The strike we are dealing with has now gone on for 46 days and involves some 8,110 students.

Interjections.

Mr. Speaker: Order.

Mr. Martel: I am going to go before I get sick.

Mr. Gillies: It is very frustrating, Mr. Speaker. We not only have to endure 10 minutes of the member for Sudbury East in his own time, but we have to take about five of it in my time, too.

Mr. Martel: I am going back to my chair. The member has provoked me.

Mr. Gillies: I did not mean it. Leave.

Out of these 8,110 students, we have to be particularly concerned about the 4,000 or more students who are on a semestered program. Although semestering is somewhat new to the education system—it was coming in around the time I was in high school—I am sure members will know that semestering is a method of concentrated teaching. The periods are longer. They are 80 or 90 minutes. The work is all taken in a half-year term, and not in all cases is the subject matter, the work the students want to take, available in both semesters. In some cases it may be that a course of particular interest or importance to a student is available in the fall term but not in the spring.

While we have a concern, which has been expressed by various members in debate, for all the students and all the families involved in this, we have to be particularly concerned about the students in the semestered system who may well have already lost any number of credits that may not be available to them in the latter part of this school year.

I have some acquaintance with teaching strikes. We had an elementary public strike in Brant county in 1980. It was before I was elected to this chamber, but I was involved inasmuch as both the teachers' federation at that time and the board asked me to moderate a series of debates between the two parties that led up to some of the later bargaining and the resolution of that dispute.

These are matters of tremendous sensitivity. I do not personally see a direct analogy between an industrial dispute and a teaching strike. An industrial dispute is certainly a serious situation for the families involved, the employees and their families, but other people who depend on a particular service or product of an industry that is not producing at that time have options; they have elsewhere to go.

That is not the case with a teaching strike. I heard a number of members from the area earlier expressing their concern, and I do not recall

many occasions in this House when I have heard the kind of articulate and heartfelt plea I heard from the member for Wellington South earlier this afternoon. You could have heard a pin drop in here, Mr. Speaker.

The member for Wellington South, the member for Wellington-Dufferin-Peel, the member for Grey-Bruce, who spoke earlier, and the member for Grey, who has asked many questions on this matter with great concern, are saying their community is being affected tremendously. Families are being hurt and communities are being hurt. I heard a tone in the voice of the member for Wellington South this afternoon that I have seldom heard in this House. He was saying very clearly: "Enough is enough. We have to look at the greater good of the greater number of people in that community."

Who would dare dispute that it would be preferable to have a negotiated settlement? I urge the minister, who I know has tremendous sensitivity and tremendous concern in this area, to keep up his efforts to bring the two parties together and to seek a settlement and a resolution at the bargaining table; but I would also urge the minister to listen to his colleagues, listen to the members in this House who have spoken this afternoon.

If that negotiated settlement is not forthcoming in the near future, I think the minister knows what he has to do. He knows that sooner or later the burden of responsibility and the burden of decision will fall into his lap. I know this minister pretty darned well and I happen to think he is up to that decision and up to that responsibility.

Much has been said earlier of what was said in past disputes, what was done and not done in the case of Sudbury. I brought up the Brant county strike, and other strikes have been alluded to, but the responsibility of government is now the minister's. The responsibility of decision is now on his side of the floor.

One may look back and say, "Look, your government did not bring an end to this strike or that strike." I do not think such comparisons and the bandying about of the number of days that various disputes have gone on are useful. We have heard from the members. We have read the editorials in the Daily Mercury and elsewhere. We know what the people in those communities want. They want a settlement.

If we are going to go back, and I do not want to be overly political about this, it is not so many years ago that we heard the kind of pleas many members are making today from senior representatives of the Liberal Party. I can quote from Hansard of April 15, 1980, when then Liberal leader Stuart Smith was questioning the then Minister of Education, the member for York Mills (Miss Stephenson). He said:

"With respect to the strike in the Sudbury secondary school system, does the honourable minister agree that this strike, having gone on for approximately 42 school days by now...needs to be brought to an end? Will she impose compulsory arbitration there and in any other school strike in Ontario and bring such strikes, which are harmful to the students, to an end?"

That was the question; that was the plea at that time of the then leader.

Mr. Breaugh: Give us the answer.

Mr. Gillies: I do not have that here. At that time, the leader of the Liberal Party thought that was a legitimate and pressing plea. I would remind my friend the present minister that kind of plea and that kind of action would be just as justified today.

Mr. Speaker: That concludes the allotted time for debate on the motion placed by the member for Nipissing (Mr. Harris).

The House recessed at 6 p.m.

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